

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JANUARY 26, 1933



Prize Winning Campaign Helps Agents of F. & G. Fire

THE judges of the Direct Mail Advertisers Association had a big responsibility. Sales help material from all over the country was spread out before them at their annual convention. They were called upon to choose the best. They chose the blotter campaign which the F. & G. Fire recently mailed to its agents and brokers.

Now, the prize itself is not important, much as we appreciate it. The important thing is that these blotters have done a real job. Each of the 24 carried a simple, direct suggestion for increasing sales.

This same basic thought inspires the many letters and folders we prepare for your use. They are sales-minded . . . prepared to help agents and brokers turn prospects into policy-holders.

These *Local-Agency-Minded* Companies originated the slogan, "Consult your Agent or Broker as you would your Doctor or Lawyer."



Unexcelled service on all casualty, surety, fire, automobile and inland marine lines through 11,000 Agencies.

Fidelity and Guaranty Fire Corporation

which is affiliated with

United States Fidelity and Guaranty Company

HOME OFFICES: BALTIMORE, MD.

NORWICH UNION

MAINTAINING

the traditions of more than a
century of faithful and
reliable service to agents
and policyholders in every
part of the world.

NORWICH UNION FIRE INSURANCE SOCIETY, LTD.

75 Maiden Lane, New York

Hart Darlington, Manager

Eagle Fire Company of NEW YORK

Incorporated 1806

75 Maiden Lane, New York

Hart Darlington, President

The Oldest New York Insurance Company

NORWICH UNION INDEMNITY COMPANY

75 Maiden Lane, New York

Hart Darlington, Chairman of the Board

H. L. Callanan, President and General Manager

In NORWICH UNION there is strength

COMPANIES

DURING THE GOLD RUSH DAYS OF '49, THE GLENS FALLS MADE ITS BOW



The Rev. Russell Mack Little

Founder of the Glens Falls

CHARACTER

It is a common belief that "corporations have no soul"—which is true—but they do have character and personality taken from the individuals who are responsible for their foundation and guidance.

The Glens Falls was begun in 1849 by The Reverend Russell Mack Little and his association with the company for forty-one years has left an indelible mark of his personality and character. Characters may be

weak or strong, evil or good—time alone being the infallible test for classification. That the Glens Falls has lived and prospered since 1849 is proof enough of its character being both strong and good. Its satisfied policyholders and loyal agents bear proof that it is friendly and fair.

So we say the Glens Falls was founded on character and that character has remained unchanged with the passing of the years.

DURING THE GOLD RUSH DAYS OF '49
THE GLENS FALLS MADE ITS BOW



Glens Falls
INSURANCE COMPANY
Glens Falls, New York

COMMERCE
INSURANCE COMPANY
Glens Falls, New York

Glens Falls
INDEMNITY COMPANY
Glens Falls, New York



"WRONG BAG, SUH!"

Just one of the
many reasons why
your clients need
Personal Effects
Insurance.

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President
ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Seventh Year—No. 4

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 26, 1933

\$4.00 Per Year, 20 Cents a Copy

Hartford Leaders Watch the Times

Company Executives Endeavor to Maintain Confidence of the Policyholders

STUDYING INVESTMENTS

Careful Scrutiny Made to Keep the Portfolio in as Good Condition as Possible

HARTFORD, Jan. 25.—Despite the enormous investments of insurance companies in railroad bonds, amounting to hundreds of millions of dollars in the portfolios of companies resident in this city alone, inquiry has shown that defaults of interest payments on the securities held have been remarkably few.

While the leaders in insurance here are frank in stating that 1933 will probably witness additional defaults by the leading carriers, they are confident, nevertheless, that Hartford companies can comfortably absorb the losses in income.

Hartford is fortunate in having among the chief executives of its companies men who are acknowledged leaders in the investment field; individuals whose scope of experience in putting to work the vast sums of money which pour in daily to the companies, is not limited to Connecticut or New England but which reaches out into the broad field of national and international finance.

Fear Mob Psychology

At the present time, when the nation is struggling with economic currents so strong that no man can truthfully declare the outcome, they fear the results of loss of confidence more than default of interest on bonds. They know the strength of their companies but they realize full well the inability of anyone to cope or reason with mob psychology. They are bending every effort toward maintaining intact that public confidence so vitally necessary.

The loss of this confidence would be devastating in result. In a life company it would be immediately reflected by the loss of strong lives through the washing up of policies by loans and cash surrenders. In order to pay for the loss of strong lives the company would have to dispose of its best securities. This leaves the weak lives, accompanied by a high mortality and the poorer or more or less frozen type of security in the vaults. When a company reached a stage like this it would only be a matter of time before an insurance commissioner stepped in and cancelled its license.

These are facts recognized by Hartford executives. They are facts more potent to them than loss of income. Because of the seriousness of the times these leaders battle constantly to maintain confidence of policyholders.

Railroad bonds held by Hartford companies vary among the different offices

Many Companies Meeting Mexico's Investment Demand

DEADLINE PASSED JANUARY 23

Loan Bank Securities Not Considered Attractive but Carriers Falling in Line Nevertheless

NEW YORK, Jan. 25.—Foreign insurance companies operating in Mexico had until Jan. 23 to decide whether they would comply with the recent requirement to purchase a given amount of shares of the recently formed mortgage loan bank, or to cease business in the country. In addition to the North America, Hartford Fire, Home and United States Fire, some 30 or 35 British fire and marine companies are represented in Mexico.

The National of Hartford had been doing business there but retired some time ago. All foreign insurance companies entering the country are required to purchase Mexican government securities with which to make the specified deposit, and in addition are compelled to put up additional securities to protect reserves on unearned premiums and outstanding claims.

Not Especially Appealing

In 1930 the government changed its ruling with respect to the form of securities acceptable for deposits, declaring that these must consist of a substantial percentage of Mexican government bonds. The present regulation deals with a class of security that would not make an especial appeal to the average investor. Nevertheless it is assumed the majority of the foreign companies, as a matter of policy, will buy the loan bank shares demanded of them.

While the aggregate of fire-marine premiums secured from Mexican business is not definitely known, the assumption is that it is in the neighborhood of \$4,500,000 a year. Loss experience in the country thus far has not been bad.

in ratio to total assets. In general they may be said to comprise from 12 to 18 percent of the latter. Assuming the percentage of rail bonds at 100 a generous estimate of those in default would be less than 1½ percent. Thus, it may be seen, the loss of income is negligible from this item. The danger lies in additional defaults occurring so quickly that companies would not be able to absorb the losses due to shrinkage in principal.

Fail to Earn Fixed Charges

While final figures are not available it is probable that the railroads in the Class 1 division, will fail to earn fixed charges by a sum varying between 150 and 200 millions. There appears to be no remedial legislation immediately in sight. As, in the instance of farm relief, political and sectional factors have so entered the picture that those seeking relief are lost in maze of what many people believe to be a national congress at present without leadership.

It is a curious fact that the two investments vitally essential to economic existence are suffering the most in the present depression. These are railroads and farm mortgages. The investment

(CONTINUED ON PAGE 15)

A. F. Holden Heads Pacific Northwest Special Agents

ANNUAL MEETING AT SEATTLE

Withdrawal of Deviations and Introduction of New General Basic Schedule Chief Topics of Discussion

Observations as to the institution of the new general basic schedule in Washington and withdrawal of deviations in that state were made in the presidential address of E. W. Trenbath at the annual meeting of the Special Agents' Association of the Pacific Northwest in Seattle.

After several years of reducing rates and filing deviations he said, the companies found that about \$15,000,000 of additional premium would have had to have been collected in Washington in order to arrive at an average loss ratio of 50 percent for several years back. Now, the only competitive weapon of the field man is the sound and strong nature of the protection of his company and his own salesmanship, he said.

Mr. Trenbath said that the companies should constantly watch developments, so that when normal conditions return, rates are not too high and cut rate competition become too severe.

Separation Program

The separation program instituted in Washington met with a set back because of the withdrawal of deviations, Mr. Trenbath said. Competitors became more aggressive. Many agents that were clear undertook to take on the representation of deviating companies. Field men, he said, made valiant efforts to induce the agents to give up these companies.

Mr. Trenbath said that the most effective method to obtain separation is by individual action and by honest relations among the field men.

A. F. Holden, Jr., vice-president of the association, reported on Oregon conditions. He said that so far as rates are concerned, conditions are improving, company deviations having been eliminated, bureau deductions having almost disappeared and rates on unprotected property having been increased.

Except for the fact that some local general agents feel that they should be given more consideration by the local governments than those represented by special agents, better cooperation has been obtained between companies and agents, he said.

A. F. Holden New President

The Oregon division of the association, he said, recently gave support to the establishment of a bureau for reporting undesirable risks.

Adjustment of rates and reduction of insurance to value has been almost completed and 1933 should be a year of stabilization, he said. Possibly the premium income will increase as fewer companies are operating and higher rates prevail.

F. O. Vincent of Portland presented a discussion of the various angles to the proposed automatic cancellation clause.

A. F. Holden, Jr., Springfield Fire & Marine, was elected new president of the special agents association; E. W.

(CONTINUED ON PAGE 13)

Reelect Haid and His Entire Staff

Satisfaction Expressed with Insurance Executives Association Progress at Meeting

COMMITTEES SELECTED

Bissell Heads Special Group to Look Further Into Fire-Inland Marine Conflict Matter

NEW YORK, Jan. 25.—Well satisfied with progress of the Insurance Executives Association in its first year, members unanimously elected all officers at the annual meeting and continued the operating policy. With but one or two exceptions all company members were represented by their chief officials, thereby attesting the interest in country-wide problems with which the association is seeking to cope.

What the body has accomplished since the November gathering was outlined by President P. L. Haid, who also gave a summary of the work still in hand.

Major Issue Is Outlined

Foremost of the tasks now under review is the effort to define the line of cleavage between strictly fire and the inland marine companies, a subject that has been provocative of considerable irritation for a long time and which, despite a series of rulings by the New York department is far from being satisfactorily settled.

It was agreed to name a special committee to look into the matter further and endeavor to bring about an accord upon the subject. Members of the committee are R. M. Bissell, chairman, president Hartford; B. M. Culver, president Continental; R. B. Ives, president Aetna, and W. H. Koop, president Great American.

Other committees selected to work in conjunction with the I. E. A. were: Interstate Underwriters Board—P. B. Sommers, vice-president American (chairman); Harold Warner, United States fire manager Royal-Liverpool group; Edward Milligan, president Phoenix of Hartford; H. V. Smith, vice-president Home, and Cecil F. Shallcross, United States manager North British and Mercantile; New York Fire Insurance Rating Organization—Harold Warner (chairman); W. J. Reynolds, Corroon & Reynolds, and Otho E. Lane, president Fire Association.

Collections Chief Problem

In studying probable underwriting conditions during the present year company officials recognize that the period is bound to be one that will try companies and agents to an unusual degree. There is scant prospect of business improvement, and executives are faced with the query as to what percentage of the lines they write will be paid for.

(CONTINUED ON PAGE 15)

Missouri Attorney General in New Move on Rate Boost

TWO SUPREME COURT SUITS

Official Seeks to Prevent Fire Companies from Collecting Excess, Convict Them of Violations

Attorney General Roy McKittrick Tuesday filed in the Missouri supreme court two suits to stop fire companies from further collecting a 16 2/3 percent rate increase put in effect June 1, 1930, over the protest of Insurance Superintendent Thompson under protection of federal and state court injunctions, and to compel return of excess premiums already collected.

One suit, a quo warranto proceeding, requests the court to find the companies guilty of violations and abuse of their corporation charter and license privileges for collecting the increased rates after they had been disapproved by the insurance department. The court is asked to fine companies, restrain them from further collections of the higher rate and order immediate distribution of the excess premiums now impounded.

Object of Second Suit

In the second suit General McKittrick asks a writ to restrain Judge Sevier of the Cole county circuit court from enforcing that part of an order of his court which authorizes the collection of the rate advance during the rate litigation and for impounding the excess premiums. More than \$5,000,000 in excess premiums has been impounded by the state and federal courts.

Walter McLucas, Kansas City banker, is special custodian of funds held under the federal cases at Kansas City, and has in his charge about \$5,000,000, while an aggregate of \$932,133 has been impounded in the Cole county circuit court case, Superintendent Thompson being the custodian.

In the new litigation immediate orders for the impounding of 16 2/3 percent of all premiums collected over the protest of Superintendent Thompson were issued by the courts, so that these excess funds are actually in custody of the courts and not held by the companies. Should the companies finally lose out the refunding would probably be under the jurisdiction of the courts.

Cites American Mutual, Ind., to the Attorney General

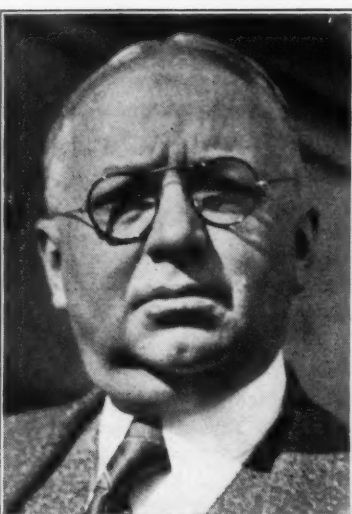
Commissioner Kidd of Indiana has referred the affairs of the American Mutual of Indianapolis to the attorney-general for whatever disposition seems advisable. Mr. Kidd has informed the commissioners of the eight states and Alaska, in which the American Mutual was licensed, of the situation.

Impairment of about \$100,000 was disclosed in an examination last June according to Mr. Kidd. The company was directed to cease writing, and later to levy an assessment against policyholders. It developed that the American Mutual had issued nonassessable policies in some states which appeared to be in contravention of the Indiana statute which provides that a mutual company may not issue a nonassessable policy unless it has a surplus of \$100,000. This complication, he said, prevented a successful outcome of the assessment program.

As of Dec. 15, 1932, the company filed a statement showing surplus of \$33,593, but Mr. Kidd said that return premium liability on canceled policies or on policies where the assessments had not been paid was not taken into consideration. Mr. Kidd said that this might constitute a contingent liability.

The commissioner said he was anxious to have some solvent mutual company take over the American Mutual, but other companies declined because of the

J. S. Tobin Is Appointed Tennessee Commissioner



JOSEPH S. TOBIN

NASHVILLE, Jan. 25.—With the change in Tennessee's state administration affairs, Joseph S. Tobin, well known Memphis insurance man, has been appointed commissioner of insurance and banking, succeeding Joseph I. Reece. He took office last Thursday.

Mr. Tobin has been prominent in Memphis insurance circles for many years and had the unanimous support of insurance men from that section.

A native of Memphis, Commissioner Tobin has been in the insurance business about 20 years and was twice president of the Insurance Exchange of Memphis. He is now connected with the Whitfield King & Co. agency and was formerly a member of the firm of Turley, Bullington & Tobin. He was educated in Nashville and took a B. A. degree at Johns Hopkins University.

It is expected that T. E. Miles, who has been chief deputy for a number of years, will be continued in that capacity, owing to his familiarity with the work of the department.

fear of litigation in connection with the contingent liability.

The American Mutual was licensed in Ohio, Delaware, Maryland, North and South Dakota, Iowa, Illinois, Pennsyl-

Premiums in San Francisco Off 15% for Last Half Year

YEAR'S DECLINE 12 1/2 PERCENT

Firemen's Heads List on Six-Month Figures, With Fireman's Fund in Second Position

SAN FRANCISCO, Jan. 25.—A preliminary survey of fire premiums written in San Francisco the last six months of 1932 indicates a drop of approximately 15 percent compared with \$2,058,860 written the last six months of 1931. This will mean a drop of approximately 12 1/2 percent for 1932 as a whole, as a drop of about 10 percent was shown the first six months.

Available figures indicate that the Firemen's of Newark will lead the list with premiums of \$116,390 for the six months compared with \$96,735 for the first six months and \$97,122 for the last half of 1931. The Fireman's Fund appears to be in second place with \$73,285 for the last six months and \$76,169 for the first six months. The Home of New York, which has held second place for several years, will apparently be third with premiums of \$68,970 for the last six months and \$82,150 for the first six months, although remaining in second place for the entire year.

Other leading companies with their available figures for the last six months of 1932 and last six months of 1931 are as follows:

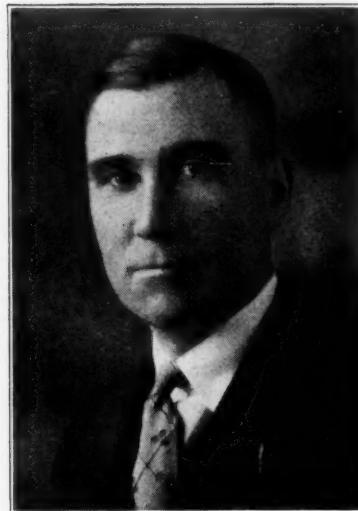
	Last Six Months 1932	1931
Aetna	\$62,373	\$66,460
Hartford	51,751	49,385
Royal	51,113	29,156
Continental	50,573	54,072
U. S. Fire	49,330	60,918
L. & L. & G.	45,375	68,314
Ins. Co. of No. Amer.	42,873	55,532
California	40,590	28,854
National Union	33,412	35,921
Millers National	30,156	39,194

The Pearl Assurance which recently received its California license and which is in the office of Edward Brown & Sons, will show San Francisco city premiums of \$13,976.

vania and Alaska. It was started in 1915. Sallis Runnels is president. In 1931 its net premiums written amounted to \$263,229.

Fire, starting in the basement, swept the first floor of the Woolworth store at Flint, Mich. The damage, including total loss on stock, was estimated at \$150,000.

To Be President



DAVID A. MCKINLEY

SAN FRANCISCO, Jan. 25.—David A. McKinley, vice-president Fire Underwriters Association of the Pacific, is nominated for election to the presidency at the annual meeting here Feb. 7-8. C. E. Allan, of Goodwin & Allan, general agents, nominated for vice-president. H. B. Mariner, American of Newark is nominated for re-election as secretary-treasurer. Executive committee nominations include J. H. Martin, Home; W. H. Gibbons, Edward Brown & Sons; George E. Townsend, Fireman's Fund; G. V. Lawry, Travelers Fire, and Mr. McKinley. Nominations for educational committee are: W. C. Frost, J. I. I. Thomas, R. E. Swearingen, C. A. MacNeil. C. H. Rowell, publicist of international repute, will be the principal speaker at the banquet Feb. 8.

Mr. McKinley is most loyal grand gander of the Blue Goose. He is special agent of the Royal group and is one of the prominent field men of the Pacific Northwest.

Lininger Is Now President of Oklahoma Underwriters

OKLAHOMA CITY, Jan. 25.—H. K. Lininger was elected president of the Oklahoma Fire Underwriters Association at the annual meeting Monday. W. L. Burton was named vice-president and J. E. Sharpe, secretary-treasurer.

New members of the executive committee are G. W. Wyatt and J. K. Snodgrass, elected for two-year terms, and S. H. Stewart for one year. Other members who have one more year to serve are T. R. Phillips and T. E. Earp.

I. A. C. Committee Chairmen

Committee chairmen of the fire and casualty group of the Insurance Advertising Conference are as follows: Exhibits, H. C. Pulver, Automobile; convention, Sidney Doolittle, Fidelity & Deposit; membership, Frank Ennis, America Fore group; publicity, Jarvis Woolverton Mason, London Assurance.

Celebrate 25th Anniversary

Celebrating the 25th anniversary of its organization, the Brooklyn Brokers Association will hold a special dinner for members and guests May 9.

Rounds Out 50 Years

H. R. Ruhl, a member of the Philadelphia firm of H. W. Brown & Co., has completed 50 years' continuous association with the office, having entered its employ as a boy in 1883.

THE WEEK IN INSURANCE

Insurance Executives Association re-elects President Paul L. Haid and all other officers at its annual meeting. **Page 3**

Hartford company executives find that defaults of interest payments in their institutions have been comparatively few during the year. **Page 3**

A. F. Holden elected president of Special Agents Association of the Pacific Northwest at annual meeting in Seattle. **Page 5**

Report most companies operating in Mexico are meeting requirement they invest in loan bank securities in order to secure licenses. **Page 3**

Ernest Palmer, manager and general counsel of the Chicago Board, has taken his new position as Illinois insurance superintendent. **Page 5**

Missouri attorney general files two suits in state supreme court against fire companies to prevent collection of 16 2/3 percent rate advance and find carriers guilty of violations. **Page 4**

David A. McKinley of Seattle, vice-president Pacific Fire Underwriters Association, was nominated for election to the presidency. **Page 4**

E. S. Windsor of the Apple & Bond agency at Baltimore has been elected secretary of the Homestead Fire of that city. **Page 6**

J. C. Heyer, vice-president of the Commercial Casualty and Metropolitan Casualty, advocates casualty people limiting service and standards within essential requirements, much as a contractor does. **Page 5**

Annual report of the companies in the America Fore group are issued showing total combined assets of \$227,218,644. **Page 6**

A joint committee of the Pacific Fire Board and Pacific Casualty Board will meet to discuss common problems in California. **Page 25**

Casualty companies experiencing heavy cancellation of burglary policies, especially in small cities and towns, largely due to rate advance. **Page 32**

Herman A. Behrens states in talk to brokers and agents that no insurance company of any kind has ever failed by reason of the shrinkage in its investments, where the investment portfolio has been built along common sense lines. **Page 31**

Study of Surety Association subcommittee discloses laws in several states prohibit cancellation of depository bonds for specified periods of year or two, hampering writing of this coverage. **Page 31**

Trustee Methods Much Improved

More Care Employed in Shaping
Up Program to Handle
Delinquents

USE UNIFORM AGREEMENT

Field Men Have Accomplished Much
in Taking Case of Agents
Much in Debt

As time has gone on, companies operating at least in Western Underwriters Association territory have accomplished much in the trusteeing of local agencies where they have gotten far behind in payment of balances. After the depression set in and agents found the going hard different methods were pursued in attempting to shape up local offices so they could function properly. Many agencies, however, sank more deeply in the morass and found themselves in a condition from which they could not extricate themselves.

Committees Were Formed

When conditions reached a point where it seemed that the interest of companies was in jeopardy field men began forming committees to look after these offices. The committee plan was not particularly successful especially where the outstanding obligations were long deferred and aggregated quite an amount. The trustee system was devised whereby usually a field man and the agent were constituted trustees or a field man alone. As time went on, it was found that more care had to be exercised in handling these agencies. It was discovered, for example, that some trustees were not fit for the job. The usual plan was to appoint the field man of a company as trustee who had the largest interest. This resulted in some incapable men handling agencies or they did not give sufficient time to their charge.

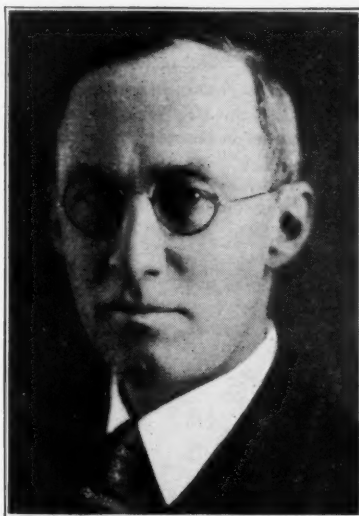
Get Out Uniform Agreement

It was revealed in some cases that sufficient care had not been used in getting the agency in shape to meet its current obligations and gradually pay off the old balances. Therefore, it was deemed best to have a standardized trust agreement and also to require a financial statement bringing out in intimate detail the facts, liabilities and general prospects of the agency.

Field men conferred more frequently with their companies as to the appointment of a trustee and who should serve. The financial statement is now comprehensive enough so that a very good picture can be found of the agent and his business. This enables the companies to decide what particular requirements will be made. The agent is given a drawing account considerably less than he has received before. His office is put on a budget system and expenses are reduced. It has been found in many cases that the overhead of an agency was entirely too great. Therefore, office space was reduced, salaries were cut down and often employees were let out. The object has been to get the business in such shape that current obligations can be paid on time and if possible a profit can be realized so that the old outstanding balances can be reduced. In most of these trustee agencies it was found that the office had collected from the assured quite assiduously. The trouble has been that the agency evidently was unable or unwilling to readjust itself in a way that would enable it to pull itself out of the mire.

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Takes New Post



ERNEST PALMER

Ernest Palmer, manager of the Chicago Board, who has been appointed Illinois insurance superintendent, started in his new work at Springfield Monday morning. Governor Horner sent his name to the senate Tuesday. The governor was anxious for Mr. Palmer to assume jurisdiction at once. Mr. Palmer had a conference with Governor Horner Wednesday of last week and then accepted the appointment. The governor urged the new superintendent to take hold the next morning but it was found to be too discommoding for Mr. Palmer. Mr. Palmer conferred with Insurance Superintendent H. W. Hansen, who retires from office. Mr. Palmer will return Thursday to be present at the annual meeting of the Chicago Board, when his resignation will be tendered. He will return to Springfield that night.

Will Do Some Commuting

He will commute between Springfield and Chicago until next fall when he will move his family to Springfield. He desires them to be in Chicago during the time of the world's fair. Mr. Palmer has received much publicity over his appointment and dozens of letters have gone to Governor Horner and to him from people everywhere expressing their great satisfaction at the appointment. Mr. Palmer was assistant general counsel of the National Board with headquarters in Chicago until he took his position with the Chicago Board.

Mr. Palmer was born in Portsmouth, N. H., Oct. 25, 1882. He is a graduate of Lake Forest college and is a trustee of that institution. He is also a graduate of Northwestern University Law School. He was appointed assistant attorney of the Department of the Interior at Washington in 1912, and became assistant general counsel of the National Board in 1913, serving for 10 years. During the war he was chairman of the four minute men in Chicago.

Mr. Palmer was confirmed unanimously by the Illinois senate Tuesday.

Heltzen Elected Commissioner

O. L. Heltzen, former attorney general of Rhode Island and a lawyer who had specialized in insurance matters, was elected insurance commissioner by the state senate. Mr. Heltzen, a Republican, was appointed by the retiring Governor Case to fill out the unexpired term of P. H. Wilbour, who resigned in December. The incoming governor appointed T. D. Higgins as commissioner, but three times the senate failed to confirm the appointment, which automatically put Mr. Higgins out of the field. Mr. Heltzen was elected for the full three-year term by a vote of 26 to 14 for Mr. Higgins, the division being on strictly party lines.

Chemical Processes Found Not Unusually Hazardous

ONLY FEW EXTRA DANGERS

Manager Hubbell of National Inspection
Company Addresses Fire Insurance
Examiners of Chicago

The general run of chemical operations is devoid of any distinctive chemical hazard, J. G. Hubbell, manager National Inspection Company, Chicago, told the Association of Fire Insurance Examiners there in a talk on "Chemical Fire Hazards." This is contrary to the general belief among underwriters in passing on chemical risks.

Mr. Hubbell said that usually chemical reactions necessary to produce desired compounds are not in themselves hazardous; quite generally they are conducted in water solution or may require the use of heat or even a furnace temperature, but these are ordinary and not chemical hazards. He said in almost all cases the chemical hazard which an underwriter should be concerned about appears when aggressive chemical agents are to be used or produced, the two strongest agents commonly met being strong sulphuric and nitric acids.

Main Hazard in Handling

There are other aggressive chemical agents, but these usually are not employed in a hazardous way about chemical plants and the hazard with them is a matter of storing and handling. Among the other agents are chlorate, nitrate, peroxide, yellow phosphorus, zinc dust and such compounds; metallic sodium or potassium, magnesium powder, etc., most of which are not likely to be used outside an experimental or research laboratory.

A third group involves the use of volatile, combustible substances or production or purification of these. Some of these processes are little more than regulated distilling operations. Mr. Hubbell said where such materials are involved in nitrations, sulphurations or amidations, there is great danger.

He said there is a group of activities of rather modern type only recently established, which are chemical plants in one aspect and yet may be regarded as only industrial processes. They make chemical substances out of ordinary materials not in themselves considered of chemical nature by fire insurance men. The plants mostly use electricity to obtain high temperature or produce combinations, but are not electrolytic plants. There are, of course, the calcium carbide and carborundum factories, he said, but he had particularly in mind plants having to do with fixing nitrogen from the air by one means or another. Among these, he said, the synthetic ammonia process is the only one which he regards as hazardous.

Generally, the hazard which underwriters have to fear is the one which gets out of hand, but chemists can be counted on to find ways of making apparatus and devising methods to regulate reactions so as to keep them in control. Nearly all the things which caused so many fires in chemical plants during the war and for some years after are now well understood and entirely provided for, he said.

Tax Deductions Allowed

The income tax department has ruled that insurance companies other than life or mutual subject to the federal income tax, in computing their taxable net income may deduct losses from the sale or other disposition of securities without respect to the limitation on security losses which restrict such deductions in the case of ordinary corporations and other taxpayers. Accordingly, such insurance companies may deduct losses from the sale or other disposition of stocks and bonds held for a period of two years or less.

Use Contractor's System: J. C. Heyer

Casualty People Must Limit Service, Standards Within Essential Requirements

NEED CONTRACT FORMULA

Vice-President of Commercial Casualty
and Metropolitan Casualty Shows
Upon What Success Depends

Herewith is presented an interesting and thoughtful analysis of some underlying principles of the casualty business by J. C. Heyer, vice-president of the Metropolitan Casualty and Commercial Casualty:

The insurance business is deserving of every confidence in the mind of the public by reason of its splendid record as compared with other industries during the recent chaotic period, unparalleled in the history of enterprise.

While it has been found necessary by the majority of insurance companies to seek relief from drain on surplus as a measure of protection for their policyholders, few have reached a state where circumstances were responsible for causing grief to the policyholder.

The stockholder, it is true, has been called upon to share in the inevitable adjustments in the nature of a reduced dividend or a lower level in market prices, because of uncontrollable and unprecedented conditions. However, such reconciliations or sacrifices have by no means been as severe in the insurance business as in other industry.

Power of Resistance

Having proven its power of resistance against most adverse circumstances, the insurance business now has the opportunity to establish its rightful position in the economic structure of the business world.

Believe it or not, the insurance business has reached a period in history where the real test of endurance under extreme pressure of opposition is going to determine its strength to survive and maintain the confidence it has earned in the mind of the public.

Bitter experience has taught wise management that profit fails in realization under administrations seeking traditional glory, or those trading on artificial philosophy.

The insurance business, by reason of its very nature, demands approaching undertakings in the same conservative manner as a sound successful contractor would consider a proposal.

Apply Technical Study

Contractors of rich experience understand that success is only made possible by applying technical study to plans and specifications of projects where the proposal in every way meets their qualifications.

No contractor of reputation would think of considering an undertaking where the hazard involved in the construction would expose him to financial loss.

No sane contractor would be so foolish as to bid on a proposal unless that bid could be qualified by sound estimates on each unit cost.

No outstanding contractor would care to jeopardize his good name or character by entering into agreement to complete an undertaking without loading the contract price of each unit operation for reasonable profit.

Insurance companies are in a large
(CONTINUED ON PAGE 12)



Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

Casualty Fidelity Surety

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

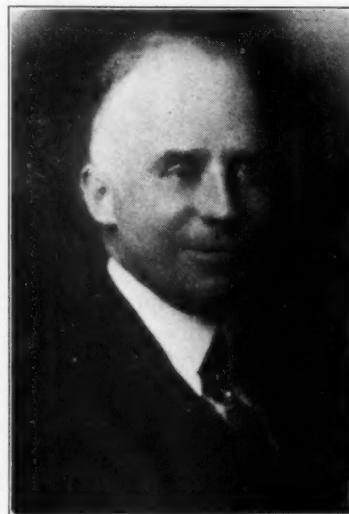
*Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.*

CHANGES IN THE FIELD

Merbitz With North British

**Corroon & Reynolds Man Joins Group
With Which He Was Formerly
Associated in Detroit Department**

O. F. Merbitz has resigned as state agent in Michigan for the Corroon & Reynolds organization to become asso-



O. F. MERBITZ

ciated with the Detroit metropolitan department of the North British & Mercantile under the jurisdiction of Manager P. J. Moriarty.

Mr. Merbitz has had broad experience in the home office and field. He is returning to the North British, with which he began his insurance career at its head office. He has traveled in Michigan for 13 years as state agent.

To Represent All Companies

**Field Men of the Springfield F. & M.
in Illinois Will Have the Entire
Group**

Following the death of Special Agent F. J. Davis of the Springfield F. & M., who resided at Champaign, Ill., the company has made arrangements to take up the slack in the state with its present field force. J. P. Swigart of Chicago acted as state agent for the Michigan Fire & Marine covering the entire state. Now the Michigan F. & M. work will be assumed by the Springfield F. & M. people, thus giving State Agent Homer Caldwell and Special Agent Fred Ticknor of Peoria the Michigan F. & M. in their territory and Mr. Swigart taking all the Springfield F. & M. companies in the northern part of the state.

C. W. Parmelee

C. W. Parmelee of Grand Rapids, special agent of the Stuyvesant and American Home in Michigan, has resigned. Mr. Parmelee formerly traveled for the Concordia. He is highly regarded in the state.

Carl Buetenbach, Jr.

Carl Buetenbach, Jr., formerly with the National Union Fire in Kentucky, has become special agent for the Respress General Agency, Lexington, Ky., with headquarters in Louisville. He was with the National Union in Kentucky for four years and before that was with the National Liberty in Indiana. Prior to entering field work he was a local agent at Gary and South Bend, Ind., for some years.

Clarence B. Burr Is Appointed

**Former Westchester Man Joins Lincoln
and Eagle Star & British Dominions
in the Southwest**

Clarence B. Burr has been appointed state agent in Kansas, Missouri and Oklahoma by the Lincoln Fire and Eagle Star and British Dominions. His headquarters will be in Kansas City, Mo. He takes the place left vacant when O. P. Rush joined the Kansas City Fire & Marine as vice-president last year.

Mr. Burr started in a local agency at Fort Dodge and then at Leavenworth, Kan. He was in the local agency business eight years. Then he joined the American of Newark and traveled in Kansas and Oklahoma in that connection for three years. His next connection was with the Westchester, which he served one year in Michigan, then being transferred to Kansas for two years and subsequently being sent back to Michigan, where he traveled for seven years. He resigned that position last September because of the consolidation of the field on the part of the Crum & Forster organization.

Sun Makes Nebraska Change

**Withdraws from Reynolds Brothers
General Agency and Places State in
Charge of H. J. Lussem**

The Sun has withdrawn from the Reynolds Brothers general agency of Fremont, Neb., and its affairs in that state are now being handled by H. J. Lussem, Iowa state agent for the Sun. Mr. Lussem has been handling the Sun Underwriters and Patriotic in Nebraska. He will now have charge of all three companies.

Henry L. Parks

Henry L. Parks has been appointed special agent for the Western & Southern Fire in Ohio. He will travel the state from the home office in Cincinnati. Mr. Parks was for eight years with the Glens Falls in Ohio and also did special agency work for the Norwich Union. He has had 20 years' experience in the fire insurance business. The fire business of this company is being developed under the direction of D. E. Murphy, formerly with the Westchester in Chicago.

W. H. Devendorf

W. H. Devendorf has been appointed special agent of the Century for Kansas, Missouri and Oklahoma, with headquarters at Topeka.

After early training with the Kansas inspection bureau, Mr. Devendorf served for a time as state agent for the Caledonian in Missouri and Kansas and subsequently as special agent for the Miller-Studebaker agency in Missouri.

M. C. Irwin

M. C. Irwin, formerly special agent for the Rhode Island and Merchants in Minnesota and North and South Dakota, has been appointed special agent for the Employers Fire with headquarters in Minneapolis.

J. C. Gunderson

J. C. Gunderson has resigned as special agent in Cook county, Ill., for the Hartford Fire, owing to the fact that the Cook county field force is being combined. Heretofore Mr. Gunderson and C. C. Hatcher, Jr., have handled Cook county for the Hartford Fire fleet, except for the Kansas City Fire & Marine, which has been handled by A. C. Schilke. Now Mr. Schilke and

Mr. Hatcher will be responsible for all of the Hartford Fire companies in Cook county.

F. H. Adams

The American of Newark has appointed F. H. Adams Georgia special agent with headquarters in Atlanta, succeeding J. L. McCleasky. He will assist State Agent H. H. Hirsch. Mr. Adams has been with the American for some years at Dallas, Tex. He has had con-

siderable field experience in Alabama, Tennessee, Arkansas and Texas.

W. C. Marshall

W. C. Marshall has been appointed Virginia special agent with Richmond headquarters for the group of companies for which A. H. Turner of Atlanta is general agent. Mr. Marshall formerly supervised Virginia for the National Union. He resigned several months ago, being succeeded by G. G. Jefferson.

NEWS OF THE COMPANIES

America Fore Group Reports

Combined Assets of Fire Companies in Fleet Are \$192,566,159, Net Surplus \$43,245,293

NEW YORK, Jan. 25.—Among the first of the important fire companies to present their annual figures for 1933 are those embraced in the America Fore group and they are being scanned by the public and by the insurance men with keen interest.

The combined assets of the fire companies in the group, American Eagle, Continental, Fidelity-Phenix, First American, Maryland and the Niagara—the figures of the Fidelity & Casualty appear elsewhere in this issue—now aggregate \$192,566,159, with total capitalization of \$13,338,813, and net surplus of \$43,245,293. Bonds and stocks are valued upon the formula of the National Convention of Insurance Commissioners. To safeguard against contingencies, however, the fire group has set aside a special reserve aggregating \$71,300,000; this being over and above the reserves for unearned premiums, losses in process of adjustment and those for miscellaneous claims.

The Continental shows: Assets \$84,856,092; capital \$4,873,989, net surplus \$19,580,601, contingency reserve \$32,000,000, premium reserve \$22,555,228.

Fidelity-Phenix: Assets \$67,242,175, capital \$3,464,825, net surplus \$12,850,517, contingency reserve \$28,000,000, premium reserve \$18,045,761.

First American: Assets \$3,930,890, capital \$1,000,000, net surplus \$841,150, contingency reserve \$1,000,000, premium reserve \$916,142.

Maryland: Assets \$2,768,105, capital \$1,000,000, net surplus \$431,337, contingency reserve \$900,000, premium reserve \$363,683.

Niagara: Assets \$21,316,500, capital \$2,000,000, net surplus \$5,904,065, contingency reserve \$6,200,000, premium reserve \$6,070,784.

American Eagle: Assets \$12,452,389, capital \$1,000,000, net surplus \$3,637,622, contingency reserve \$3,200,000, premium reserve \$3,800,417.

Total premiums written by the Continental in 1932 were \$19,717,397; losses paid \$12,041,646 and expenses \$8,695,651.

Western Companies' Condition

In a letter sent out to agents of the Western Casualty & Surety and the Western Fire, both of Fort Scott, Kan., President Ray B. Duboc makes the statement that these companies had a very satisfactory year in 1932. Neither has ever borrowed any money and they maintained larger bank balances throughout the year 1932 than in any previous year. Their annual statements will show cash on hand of over \$300,000 and United States government bonds of approximately \$500,000, reflecting a very liquid condition. The premium volume was maintained in spite of the general decline in business and the loss ratio and expense ratio were very satisfactory. One outstanding result of the year was a decrease in the amount of delinquent agents' balances, notwithstanding a gain in the number of active producing agents and in the volume of net premiums written.

Windsor Goes to Homestead

Well Known Baltimore Insurance Man Has Been Appointed Local Secretary of the Company

BALTIMORE, Jan. 25.—E. S. Windsor has been appointed local secretary of the Homestead Fire of this city, one of the Home of New York group, and will assume the post early next month when he is released from his present connection. A native of Baltimore, his entire business career thus far has been spent in the insurance field. After several years of service with the Association of Fire Underwriters he connected successively with several prominent local agencies, for some time past having been identified with the fire and casualty division of the Apple & Bond life agency of the Travelers. While still a young man, being but 32 years of age, Mr. Windsor has the reputation of knowing the business and those engaged in it here, and is energetic and popular to an unusual degree. C. M. Martindale, vice-president of the Homestead, died suddenly Jan. 7.

North British Canadian Changes

MONTREAL, Jan. 25.—The following Canadian staff changes are announced by the North British & Mercantile group: Ronald Woodcock, Winnipeg manager, has resigned to enter agency work and is succeeded by Harold Pellowe, manager at Vancouver. F. T. Broadbelt of Montreal is appointed accident secretary at Winnipeg. S. C. Hopkins, casualty secretary at Vancouver, is appointed branch manager there, while Hugh Kirkup, formerly of Winnipeg, is appointed inspector at Vancouver. Reginald Holroyde of Regina succeeds Mr. Broadbelt at Montreal.

Mutual Charter Sold

The charter of the Traders Mutual of Chicago, a fire company, has been sold to Harold Shlensky, president of the Central Mutual of Chicago, a casualty company, and the Central Mutual Plate Glass. The charter of the Traders Mutual has been held by Harold O'Brien and it was used as an office or reinsurance company in connection with the Chicago Fire & Marine. It was formerly known as the Bohemian Mutual. Ownership of this company by Mr. Shlensky gives him facilities for writing fire insurance as well as casualty.

Yorkshire's Canadian Manager

F. E. Dufty has been appointed Canadian manager for the Yorkshire and London & Provincial, succeeding the late P. L. Monkman. Mr. Dufty was born at Troy, N. Y., but went to Montreal at an early age, and received his education there. He was with the Canadian head office of the Guardian Assurance of London for three years, and became associated with P. M. Wickham when the latter introduced the Yorkshire to the Canadian field in 1907. He was appointed chief clerk of the Yorkshire in 1909, and fire superintendent in 1923. He is a past most loyal gander of the Blue Goose.

Annual Statements—1933

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IN VIEW of the many difficulties and financial reverses that insurance companies, both large and small, encountered in 1932 many agents and brokers are not clear as to the financial standing of the companies they represent. They may not be apprehensive, but they certainly are in doubt. They want to find out how their companies survived the financial disasters of 1932.

They can learn only by studying comprehensive financial statements of their companies. The general assurance that everything is "all right" or that the company is "going along" carries no conviction in these times.

Every solvent, going company should advertise its annual statement figures this year, whether it has done so in the past or intends to in the future. By neglecting to advertise its statement, a company may cause the very doubts about itself that it does not want to exist. There is nothing more convincing or reassuring than a good annual statement. Agents this year are not expecting impressive gains in assets, surplus, etc. Instead, they simply want to be sure that the companies in which they are placing business are financially sound and that they have successfully weathered the storm of 1932.

Your own agents and brokers may know all about your company, and be perfectly confident in it, but what about the insurance fraternity as a whole? Naturally, your own agents and brokers are going to make nothing but complimentary references to your company, but you should be just as eager to properly inform the agent or broker who does not represent you. Let the financial facts about your company be known. Broadcast your annual statement. Make clear to everyone in the insurance business just where you stand. Advertise your annual statement in *The National Underwriter*, which goes to everyone in the insurance business that you will want to reach with your statement figures.

(Number 28 of a series devoted to the merits of National Underwriter advertising)

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The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

THE SATURDAY EVENING POST

EXPLOSION
GIVES NO WARNING

Gas seepage from a street main leak and a kitchen pilot light wrecked this home.

YOU are living in the midst of explosion dangers. Illuminating gas, refrigerating gas, sewer gas, gasoline, benzine, etc., need nothing more than an electric spark from a short circuit or switch to set them off. It is important to supplement your Fire protection with Explosion insurance because a Fire policy does not always cover Explosion damage. Moreover, an Alliance Explosion policy covers damage to your property even when the blast occurs off your premises, a possibility over which you have not even slight control.

Ask your
ALLIANCE

Helping the Alliance
Agent start the new
year with a bang!



THE
ALLIANCE INSURANCE COMPANY
OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

New Incorporated Agencies Are Scrutinized Carefully

COVERING UP PAST TRACKS

Principals in New Corporations Found
in Some Cases to Have Been
in Difficulties

Companies find that incorporated agencies here and there are springing up in an attempt to cover the past tracks of the principals. For instance, a company received an application for representation from an incorporated agency, which stated it had no other representation at present. The credit report disclosed that the principals in the incorporated agency were the same people, who had been operating an unincorporated agency at another location and were in grave difficulties with their companies.

Companies are watching new appointments with the greatest care these days. Credit reports are being called for. When a new appointment is made, and a volume of business begins to come in, the company is suspicious, fearing that it is getting the rewritten business of some other company, which has come to the end of its rope so far as that agency is concerned. On the other hand, companies are disappointed when a new agent does not turn in much business.

Change in Vacancy Permit in the West Is Imminent

The new vacancy permit in the west continues to prove faulty in the estimation of many executives and changes in it are imminent.

One proposal that is being given consideration is to charge 10 percent extra a month for 10 months in the case of vacancy after the 60-day period has elapsed. Such an arrangement would probably prevent building and loan associations and other mortgagees from having the vacancy permit attached indiscriminately, as the penalty would be considerable.

At present, under the permit reducing insurance one-quarter in the event of vacancy, more insurance is purchased to bring the coverage up to what may be termed par.

Pittsburgh Dinner Speakers

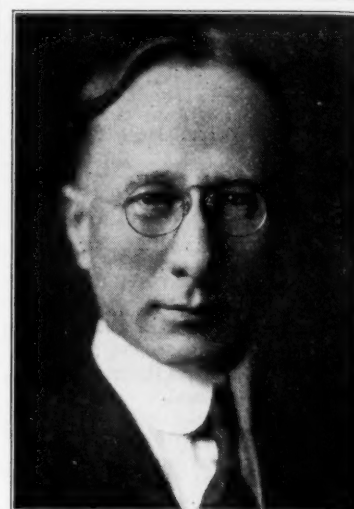
Announcement has been made of the speakers for the annual dinner of the Insurance Club of Pittsburgh Feb. 7. They are Commissioner Dunham of Connecticut, W. H. Bennett, secretary National Association of Insurance Agents, and Clarence Axman of the "Eastern Underwriter." More than 800 are expected to attend, including many of the leading company executives. The program for the two-day sales congress preceding the dinner was previously announced.

Names Missouri Depositories

JEFFERSON CITY, MO., Jan. 25.—Circuit Judge Sevier has directed that approximately \$932,000 of fire insurance premiums impounded by the court pending the outcome of the litigation involving a 16½ per cent rate increase be transferred to the Exchange National Bank and Central Missouri Trust Company of Jefferson City, Boatmen's National Bank of St. Louis and Commerce Trust Company of Kansas City.

The order specifies that the deposits of impounded premiums shall be treated as a "special fund" and kept segregated from the general assets of the banks. The rate of interest shall be that designated by the St. Louis Clearing House Association and paid by its member banks on demand deposits.

Pick Louisville Lineup for Mid-Year Meeting



W. A. REISERT

LOUISVILLE, Jan. 25.—C. E. Swope, Jr., president Louisville Board, has announced the committees named to look after arrangements for the mid-year meeting of the National Association of Insurance Agents here the week of March 20.

W. A. Reisert is general chairman. Committee chairmen are: Entertainment, E. J. Miller; finance, F. H. Brown; invitation, J. M. Hennessy; publicity, W. C. Vaughan; ladies, Miss Caroline E. Lang; general reception, S. T. Bailey; registration, J. S. Long; automobile, R. L. Badger.

Business Not Reinsured

NEW YORK, Jan. 25.—Agents throughout the country are somewhat concerned because the automobile business of the Public Fire has not yet been reinsured. The other business was reinsured in the Corroon & Reynolds organization. The remaining assets of the Public Fire are reported to be illiquid and payment of claims for unearned premiums are not being met. Arthur B. Kilburg, assistant secretary in charge of the automobile business for the Public Fire, is still on deck. Edmund von Hassel, assistant secretary, is more or less in charge of the office.

R. F. C. Reports Insurance Loans

WASHINGTON, Jan. 25.—The Reconstruction Finance Corporation authorized 131 loans aggregating \$83,048,931 to 101 insurance companies in 1932, a report made public this week shows. Of the amount authorized, it was stated, \$3,122,883 had been canceled or withdrawn, \$11,888,429 remained at the disposal of borrowers and \$68,037,618 had been disbursed to them, of which \$5,588,738 had been repaid. After increasing from six in October to 11 in November, the number of applications received from insurance companies last month dropped to nine.

Must Pay Mortgagee

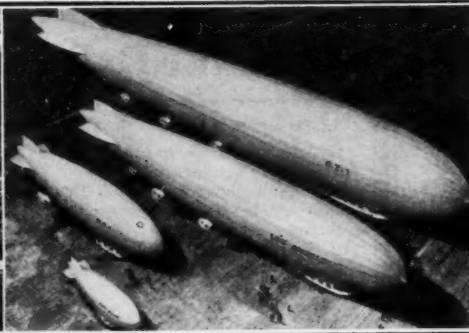
H. J. Taylor, counsel of the Massachusetts insurance department, has submitted an opinion to the Dubuque Fire & Marine that repairs made by the owner of insured property following a fire do not relieve the insurer from liability to a mortgagee to whom any loss under the policy was made payable.

Will Meet at Atlantic City

Pennsylvania Insurance Days, sponsored by the Insurance Federation of Pennsylvania, will be held June 15-17 at Atlantic City. The federation will hold its annual meeting at the same time.



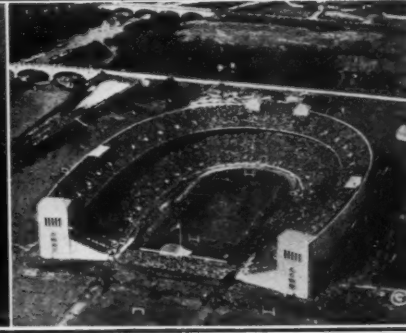
• Fremont, Ohio, home of Rutherford B. Hayes, 19th president. Ohio State Archaeological & Historical Society photo.



• Types of airships made in Akron, the leading city in the country in producing lighter-than-air craft. Akron C. of C. photo.



• Fountain Square. One of Cincinnati's landmarks. Cincinnati C. of C. photo.



• Ohio State University Stadium, Columbus. One of the largest in the country. Ohio State Archaeological & Historical Society photo.

A salute to

Home State Agents of the Eureka-Security the oldest Ohio stock fire company and

• Land bitterly disputed by Indians, French and English—pioneer state of the old Northwest Territory—a state which has given seven sons to the presidency—birthplace of famous fighters and statesmen—a state of historical, political and commercial importance—state in which John Gray, age 104, last surviving soldier of the American revolution died in 1868—one of the first states to build paved country roads—eighteenth state to enter the Union—thirty-fifth in area—fourth in population—such is Ohio, a state whose motto "Imperium in imperio" (an empire within an empire) is truly descriptive.

First settled at Marietta in 1788, Ohio pioneers and settlers early realized the value of water transportation to progress. The Ohio rivers were of historical importance in the development of the west. In 1811, the "New Orleans" was the first steamboat on the Ohio. The famous Ohio-Erie canal was completed in 1832. Old tow paths, still discernible, are reminders of Ohio's famous canal systems.

The state progressed agriculturally, industrially and culturally. By 1850, 14 colleges were established. Today Ohio has 6 schools over 100 years old including Ohio University, 1804, and Miami University, 1809. The oldest suspension bridge in the United States, erected in 1866, is at Cincinnati. At Zanesville is the only "Y" bridge in this country and one of two in the world.

Besides important agricultural products Ohio has many cities which are famous world-wide for their manufactured products. Consider these:

Cincinnati—Gateway to the south, termed "Queen City of the West" by Longfellow. Clothing industry, music, art center.

Youngstown—steel products.

Akron—rubber products

Cleveland—steel, autaparts, women's clothing

Dayton—cash registers, calculating machines

Toledo—flour and grist mill products

Columbus—capital of state, boots, shoes

• Influenced by this background of substantial progressiveness the Eureka-Security Fire & Marine, the oldest stock fire company in the state was founded in 1864. It has maintained the aims of its founders as being a conservative, well managed company.

The Eureka-Security Fire & Marine deeply appreciates the loyal support Ohio agents have always given this 69 year old Home State Company. In 1932 they placed more business than ever before. The fact so many Ohio agents have represented this company so long is proof that Eureka-Security has met the test of agents by giving sound, dependable protection, equitable claim, and prompt Home Office service.

The following state and special agents assure Ohio agents of ready help and close cooperation at all times.

STATE AGENT

T. E. Allaire
21088 Westlake Road,
Rocky River, Ohio

OHIO SPECIAL AGENTS

N. G. Dempsey,
22 Garfield Place,
Cincinnati

L. H. Koch,
428 Delaware Ave.,
Dayton

The Eureka-Security Fire and Marine Insurance Company

Established 1864

CINCINNATI, OHIO



LARGE ENOUGH
To write lines liberally

SMALL ENOUGH
To give individual attention

YOUNG ENOUGH
To grow by giving service

OLD ENOUGH
To have profited by experience

GOOD WILL

----- is the Disposition of a pleased customer to return to the place where he has been well treated.”*

The continuance of old contracts and the disposition of companies to request additional facilities places the stamp of GOOD-WILL on INTER-OCEAN treaties.

INTER-OCEAN REINSURANCE Company

CEDAR RAPIDS, IOWA

Reinsurance only of Fire, Tornado
and Automobile Lines

*From a decision of the United States Supreme Court.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

AGENTS MAKE COMPLAINT

In addition to their concern over the growth of production branch offices members of the New York City Association of Local Agents are exercised over the encroachment of broker-agents into the field of automobile and inland marine insurance, and have named special committees to take up the latter propositions respectively with the National Automobile Underwriters Association and with the Inland Marine Underwriters Association. Failing to get satisfactory results in either direction appeal would probably be made to the Insurance Executives Association. The agents maintain that a considerable percentage of the automobile fire, theft and collision business now in force throughout the suburban district is controlled by metropolitan brokers and was developed by the latter with the aid of the city agents. The free appointment of brokers as agents in different sections of the outside territory has materially curtailed the income of the New York city agents and is resented by them. What holds as to automobile business the agents assert, applies to inland marine lines as well. The I. M. U. A. is reported as being sympathetic with the position of the local men, but it is handicapped in its effort to control the situation by the action of some of the free-lance companies.

WILL OFFER AMENDMENTS

To strengthen certain of the insurance laws of New York the department has prepared a series of measures which will shortly be offered for consideration by the legislature. While the exact nature of the proposed amendments has not been revealed, the understanding is that they deal with the investments of companies other than life and with the agents and brokers license law particularly. Certain of the suggested revisions are deemed highly important by the department. No changes will be offered in relation to the statutes governing the writing of inland marine business, the feeling being that whatever new legislation in such connection may be found desirable be deferred until after the special committee of the National Convention of Insurance Commissioners appointed at the annual convention submits its report to the gathering in Chicago next June. To be effective regulations governing inland marine business must be adopted in the great majority if not all of the states and the thought of the commissioners is to agree if possible upon a program of that character.

KERN SUCCEEDS CLUTIA

G. F. Kern, president of the Association of Local Agents of the City of New York, has been appointed a member of the committee on losses and adjustments of the New York Board to succeed H. H. Clutia, president of the Northern of New York, who resigned.

At the last meeting of the New York Board, the discussion centered about the unfavorable experience on small stores and dwellings in Brooklyn.

E. U. A. CHANGES UP

Extensive changes in the constitution and by-laws of the Eastern Underwriters Association will be voted on at the next meeting of that organization. The changes involve matters of procedure largely.

INGLIS HAS RETURNED HOME

E. S. Inglis, vice-president of the Corroon & Reynolds companies, is back in New York City, after spending some days on the west coast putting into effect the new arrangement of his office for handling business in that territory. Though an experienced traveler, Mr. Inglis found his latest journey from San Francisco a trying one. Inciden-

tally five years have now elapsed since Mr. Inglis assumed his present connection.

* * *

FIRE LOSSES FOR THE YEAR

The following table shows the fire losses for the year as calculated by the National Board:

	1930	1931	1932
Jan. \$	42,344,035	\$ 44,090,449	\$ 39,224,783
Feb.	43,206,940	41,776,051	39,824,622
March	42,964,892	44,074,362	49,189,124
April	43,550,996	41,423,764	43,822,233
May	38,115,142	37,835,273	39,270,524
June	31,818,266	33,368,378	34,358,670
July	34,847,750	33,024,594	32,982,434
Aug.	36,043,679	31,917,630	31,425,931
Sept.	35,239,456	33,202,986	30,972,318
Oct.	36,838,614	35,501,530	30,734,458
Nov.	35,682,577	35,287,641	31,167,708
Dec.	42,669,915	40,514,368	39,190,506

Total \$463,621,762 \$452,017,026 \$442,143,311

The New York "Journal of Commerce" found there were 422 fires in December, each of which caused damage of \$10,000 or more, the aggregate being \$18,069,000. The main fires were in Lee, Mass., paper plant \$300,000; Sycamore, Ill., milk preserve plants \$100,000; Ottumwa, Ia., business building \$100,000; Hamilton, Ont., hardware plant \$100,000; North Salem, Ore., packing plant \$150,000; Madison, Ind., two steamboats \$150,000; Matane, Que., church \$100,000; Northport, N. Y., dwelling \$75,000; Eatonville, Wash., lumber plant \$400,000; Fergus Falls, Minn., business block \$75,000; New York City, garage \$75,000; Norfolk, Conn., factory \$75,000; Fayetteville, Ark., three stores \$150,000; Broken Bow, Okla., lumber plant \$125,000; Dallas, Tex., business building \$125,000; Owosso, Mich., wood products plant \$200,000; Beatrice, Neb., store \$150,000; Muskogee, Okla., refinery \$75,000; Charlotte, N. C., bank building \$75,000; Spottsville, Ky., seven boats \$125,000; Libertyville, Ill., stable and horses \$75,000; Oakland, Cal., dance hall \$75,000; Tweed, Ont., steel works \$100,000; Harrodsburg, Ky., three stores \$75,000; Oakland, Cal., drayage company \$75,000; Tyrone, Pa., foundry \$125,000; Warsaw, Ky., business block \$75,000; Gary, Ind., warehouse \$75,000; Montesano, Wash., lumber plant \$125,000; Cincinnati, wholesale grocery \$125,000; Brooklyn, bath-houses, etc., \$150,000; Shippensburg, Pa., business building \$75,000; Toledo, O., apartment \$100,000; Chicago, grain elevator \$400,000; Bartlesville, Okla., business block \$125,000; Hammond, Ind., feed plant \$125,000; Little Rock, business block \$100,000; Wells, Mich., lumber yards \$100,000; Waupaca, Wis., oil burner plant \$125,000; Niagara Falls, Ont., hotel \$750,000; Philadelphia, tallow plant \$150,000; San Pedro, Cal., boat plant \$75,000; Denver, Colo., refinery \$75,000; Greenville, Miss., hotel \$200,000.

* * *

INSURANCE COURSE

Five courses in insurance will be given at New York University with the new term which begins Feb. 1. Principles of insurance dealing with the general subject of risk-bearing as it relates to life, fire, marine and casualty lines, will be given at the Wall Street branch and will be taught by Prof. S. B. Ackerman. Insurance law and practice will be given at the Washington Square branch by Professor E. R. Hardy, and will deal with the legal side of fire, life and accident and health including the legal rights of the insured, the insurer and the agent, insurable interest, and other aspects.

The general course in life insurance will be taught by Professor Ackerman. It will deal with life insurance rates, organization of companies and the essentials necessary to a grasp of life company operations.

The fire course, which will include the policy contract, mortgage clause, renewals and cancellations and various other fundamentals will also be given by Professor Ackerman.

The casualty course, dealing with all casualty lines, will be given by Professor Hardy. While the insurance courses are designed for regular students in the university, special students will be admitted.

The Badger Mutual Fire of Milwaukee has been licensed in Illinois.

SIXTY-EIGHTH ANNUAL STATEMENT

As Made to Directors and Stockholders

DECEMBER 31, 1932

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

ST. PAUL, MINNESOTA

ASSETS		LIABILITIES	
Bonds (at Market Value Dec. 31st)	\$16,518,193.16	Reserve for Unearned Premiums	\$ 9,892,118.33
Stocks (at Market Value Dec. 31st)	4,497,921.21	Unadjusted Losses	1,788,081.40
Home Office and Other Real Estate	1,240,681.46	Reserve for Taxes	350,000.00
Mortgage and Collateral Loans	1,930,485.12	Reserve for Unpaid Bills, etc.	77,415.13
Cash and Bank Deposits	1,163,606.88	Special Reserve	221,918.08
Agents' Balances	1,624,779.12	Reserve for Adjustment Expense	80,000.00
Due from Re-insurance Co.'s Notes, etc.	286,553.99	Funds Held Under Re-insurance Treaties	244,151.43
Accrued Interest	238,598.44	Capital Stock	\$ 4,000,000.00
		Net Surplus	10,847,135.01
	\$27,500,819.38		\$27,500,819.38

This statement shows condition based on market values, December 31, 1932. The stocks of Insurance Companies owned by "St. Paul" are carried at book value, based on market valuations. Statements filed later in states which do not allow credit for "unadmitted" reinsurance, will show less surplus by approximately \$481,641.62.

Underwriting and Investment Statement

Interest on Investments	\$1,259,145.47	Reserve for Income Tax	\$ 80,000.00
Underwriting—Net Profit	327,556.68	Dividends Paid	960,000.00
Decrease in Surplus	2,270,375.49	Depreciation in Market Values and Loss on Sales	2,742,077.64
		Added to Conflagration Reserve	75,000.00
	\$3,857,077.64		\$3,857,077.64

The underwriting experience is satisfactory for the seventh successive year. The decrease in surplus while severe, is not disappointing in view of depreciation in values. At the Convention valuations, authorized by many insurance departments, the assets and the surplus would be larger by \$4,188,666.46.

COMPARISON WITH LAST YEAR

	1931	1932	
Net Premiums Written	\$12,650,567.81	\$11,523,461.30	Decrease \$1,127,106.51
Unearned Premiums	10,948,566.37	9,892,118.33	Decrease 1,056,448.04
Assets	30,510,494.44	27,500,819.38	Decrease 3,009,675.06
Capital Stock and Surplus	17,117,510.50	14,847,135.01	Decrease 2,270,375.49

MERCURY INSURANCE COMPANY

ST. PAUL, MINNESOTA

ASSETS		LIABILITIES	
Bonds (at Market Value Dec. 31st)	\$3,022,672.50	Reserve for Unearned Premiums	\$1,550,468.99
Stocks (at Market Value Dec. 31st)	6,900.00	Unadjusted Losses	228,216.38
Mortgage and Collateral Loans	304,950.00	Reserve for Taxes	40,000.00
Cash and Bank Deposits	269,468.12	Reserve for Unpaid Bills, etc.	12,500.00
Agents' Balances	184,688.92	Special Reserve	5,000.00
Due from Re-insurance Co.'s Notes, etc.	627.93	Reserve for Loss Expense	12,500.00
Accrued Interest	44,121.56	Funds Held Under Treaties	12,512.51
	\$3,833,429.03	Capital Stock	\$1,000,000.00
		Surplus	972,231.15
			\$3,833,429.03

Securities Valued at Market Values, Dec. 31, 1932. At the Convention valuations, authorized by many insurance departments, the assets and the surplus would be larger by \$241,677.39.

Underwriting and Investment Statement

Interest on Investments	\$199,677.62	Depreciation in Market Values and Loss on Sales	\$438,550.70
Underwriting—Net Profit	95,740.20		
Decrease in Surplus	143,132.88		
	\$438,550.70		\$438,550.70

The underwriting profit under existing conditions is gratifying.

COMPARISON WITH LAST YEAR

	1931	1932	
Net Premiums	\$2,000,255.18	\$1,654,620.08	Decrease \$345,635.10
Unearned Premiums	1,754,495.79	1,550,468.99	Decrease 204,026.80
Assets	4,184,364.78	3,833,429.03	Decrease 350,935.75
Capital Stock and Surplus	2,115,364.03	1,972,231.15	Decrease 143,132.88

AGENCY APPLICATIONS ARE INVITED FROM SUBSTANTIAL AGENTS

Use Contractor's System: J. C. Heyer

(CONTINUED FROM PAGE 5)

degree nothing more than insurance contractors, and the sooner they come to realize the importance of characterizing their performance of duty with the same deliberate seriousness as the contractor the earlier improvement will be evidenced.

Essential Requirements

Companies engaged in the insurance business that hope to conduct operations so as to make possible reasonable return on invested capital must learn to limit service and trade standards squarely within essential requirements, otherwise profit is out of the question.

Now, then, as insurance contractors of age and experience, suppose we consider the contract formula that appears to have sufficient merit to direct activities to the end of survival over confronting issues.

Assuming that we possess organization, equipment and financial structure qualified to entertain a proposal to furnish insurance coverages of various classifications aggregating twenty million dollars in premiums, should we execute the contract without considering plans, specifications, and the investigation of unusual hazards, or should we inspect these features so as to make certain that the undertaking does not expose us to liability beyond expectancy or average?

It is only reasonable to state that each class or unit coverage must be analyzed in order to determine the adequacy of each unit premium, measured with the extent of protection and service contracted for.

Eleven Coverages

Eleven forms of insurance coverage or units are involved in this twenty million dollar undertaking, rated by standard formulas, comprising the following classes of protection:

Class	Earned Premiums
Personal accident	\$ 1,200,000
Health	700,000
Automobile liability	5,100,000
Automobile property damage	1,600,000
Automobile collision	300,000
Burglary	1,000,000
Workmen's compensation	4,300,000
Fidelity	1,800,000
Surety	1,800,000
Liability other than auto	1,800,000
Plate glass	600,000

Total contract premiums....\$20,000,000

Satisfied, of course, that rates are adequate for the coverages contracted for, it becomes our most important duty to

learn just what proportion of each unit premium can be expended safely under the various operations necessary to fulfill or complete the contract with reasonable assurance of profit on each unit.

Estimates on each unit cost have been compiled by experts and their prices have been detailed on work-sheets, refined as a guide.

The contract price or premium rate on every unit is scaled by competent engineers with factor loads for each operation, and their final tabulations in connection with coverages listed are as follows:

Unit Prices or Premium Rate Factors

	Personal Accident	%	Auto. Liab.	%	Auto. P. D.	%	Burglary	%	Workmen's Comp.	%
Pure losses inc....	45.0	55.4	51.7	45.0	57.5					
Claim expense	3.6	6.1	9.8	5.0	8.0					
Acquisition	35.0	25.0	25.0	30.0	17.5					
Administration ..	10.7	7.7	7.7	13.0	9.5					
Inspection and bureau4	.6	.6	.5	2.5					
Taxes, licenses, fees	2.8	2.7	2.7	2.5	2.5					
Profit	2.5	2.5	2.5	4.0	2.5					
Totals	100	100	100	100	100					

This chart enables those supervising operations to determine without difficulty limit of expenditures for each manipulation. It fixes the saturation point permissible for every treatment.

To illustrate, personal accident earned premiums scheduled as being equal to requirements amount to \$1,200,000. This broken down means that the company must budget its distribution of this premium by forcing each detail of operation to fall within each apportionment.

Cost Is Confined

Arranged in dollars, we find that saturation expenditures restrict our course of action by confining cost to the following limits:

	Income	Outgo
Personal accident earned premium ..	\$1,200,000	
Allocated for pure losses incurred		\$ 540,000
Allocated for claim expense		43,200
Allocated for acquisition		420,000
Allocated for administration		128,400
Allocated for inspection and bureau		4,800
Allocated for taxes, licenses, fees		33,600
Allocated for profit ..		30,000
	\$1,200,000	\$1,200,000

Now that cost has been determined under each factor, the problem before us is to complete the undertaking in accordance with the plans and specifications.

This is a sizable order and requires able direction, especially in connection

with incurred losses. However, I am convinced that completion is possible by fearless approach, with full understanding of the dangerous pitfalls.

Suppose we delve into one unit, personal accident, and prove the contention that the margin set aside for profit is within reach.

Pure Losses Incurred

This factor, 45 percent, reduced to dollars, directs attention to the fact that the total pure losses incurred on earned premiums of \$1,200,000 total \$540,000.

The problem of controlling losses to a definite ratio is no simple task. However, it is my belief that losses are controllable over a span of three years, but only provided the source of production be selected with expert care and each and every risk submitted stand the acid test of a thoroughly experienced underwriter.

Exception may be taken to my contention of controlling pure losses incurred over a three-year period if not explained, as one may draw the impression that such a span is too indefinite. In order to clarify this statement so that one may appreciate the need for broadness, permit me to call attention to the fact that premium rates are based on average loss developments, and not on a limited experience.

Catastrophic Loss

It is only fair to expect the underwriter to suffer unusual or catastrophic loss during a restricted period, which would by reason of the amount of loss involved cause liability in excess of the loss factor. Such unfortunate losses must be averaged out of profit on the balance of the business over a sound duration of time.

This application is only proper, otherwise it would be absolutely impossible to standardize rates.

Occupational exposure, physical and moral hazard, are vital in the eyes of a sound underwriter and no risk will gain his approval unless it measures well in line with essential standards.

Accommodation on sub-standard lines can only be entertained with the certainty of damage to profit, therefore the wise underwriter refuses them.

No company can expect to run personal accident business off at a 45 percent pure loss incurred ratio unless that company restricts the provisions of its policy contract to standard benefits.

Must Stop Loss

Controlling loss under this classification cannot be accomplished by those companies that fail to stop loss at a definite amount in their contract provisions. Common sense should teach underwriters that unlimited disability

payments lack proper evidence in establishing loss reserves, which has a tendency to weaken rate levels, and controlling this factor depends on adequate premium.

Personal accident claim expense permits spending 3.6 percent of personal accident earned premiums for expenses incurred in claim supervision, adjustment, and investigation of all losses.

This factor in dollars amounts to \$43,200, and the business can under no circumstances be charged with more, so it becomes the duty of the directing power to enforce a program that will bring claims operations at least to this figure.

By claim expense it is understood that all cost is included, allocated as well as unallocated. Allocated claim cost is that portion of claim expense that can be directly charged to specific claims, because the amount incurred is solely traceable to a definite risk.

Unallocated Claim Cost

Unallocated claim cost is all other claim expense incurred by reason of maintaining a claim division, such as salaries, travel expense, rent, telephone, telegraph, postage, printing, stationery, legal fees, etc., that, because of their interest in many claims, cannot be allocated to specific cases.

This factor offers no real complications to those of experience, so it seems fair to pass as a reasonable figure to service the run-off of the volume scheduled.

Here we have a factor so many fail to understand, and the only reason that I can attribute for their lack of appreciation of its importance in success is eagerness for premium income.

The factor is 35 percent, and in dollars on earned premiums of \$1,200,000 the company has exactly \$420,000,—no more and no less,—to complete every detail in connection with true acquisition cost.

Acquisition expense is intended to imply cost of delivery at the home office, exclusive of losses, loss expense, administration, taxes, licenses, fees, inspection and bureau cost.

What Acquisition Includes

Acquisition includes producers' commissions, cost of policy-writing, field supervision and collections.

Determination as to its extent of development only requires simple arithmetic, and the method of learning its existence needs no actuary.

The following formula can be applied to either branch office or direct reporting agency system.

First, let us consider this factor by taking into consideration a given territory.

(CONTINUED ON LAST PAGE)

MARSH & McLENNAN

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LONDON**

**DULUTH
SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER**

Trustee Methods Much Improved

(CONTINUED FROM PAGE 5)

Where a trustee has been appointed there is usually an arrangement made for counter signature of checks so that nothing is paid out without the consent of the field man who is acting as trustee. He is expected to visit the office at least once a month, look into its affairs diligently and see that the program is being carried out. The field men are deserving of much credit for the way they have handled these snags. Now experience secured, field men are in much better shape to handle the delinquents.

Where an agency is not so greatly involved and can be worked out without a trusteeship the committee form of management is used. A committee of field men is appointed and a method worked out whereby the agency can get itself into shape.

Where there are balances dating back a long time, it is a question just how much can be salvaged. Through the trustee system, however, the companies are able to get something out of the wreck.

According to the "American Agency Bulletin" the agents look with much disfavor on the proposal of the Alfred M. Best Company to establish a clearing house of information concerning agents and brokers who do not pay balances promptly. The circular letter was sent out from the Best company stating that Mr. Best had been asked by executives to organize a bureau of this kind. The "American Agency Bulletin" declares that this is another effort to interpose an organization between the agent and his company. It declares that the dehumanizing of the business through means of bureaus already is beyond bounds.

Comment by the Bulletin

The "American Agency Bulletin" says:

"Just why there should be any demand for such a bureau is incomprehensible. According to Mr. Best, it would work to the advantage of the reliable agent or broker who now operates at a disadvantage compared with his less scrupulous or more careless competitor."

"The letter carries all the earmarks of the big stick when it says:

"The mere existence of the clearing house would exert a strong pressure on the careless or dishonest agent, and, on the other hand, the fact that its complete records would be available to insurance company officials would place them under strong moral obligation to use the records in exercising just discrimination in connection with agency appointments or suspensions—a situation which requires no elaboration."

"Certainly every insurance company is in position to know which ones of its agents pay their balances. When it comes to appointment of new agencies, it appears to us that no bureau could possibly hope to become as well qualified to judge the merits or demerits of agency appointments as the field man on the ground. It is a simple matter for him to discriminate between the different types of agent."

"No credit reports would have served to keep the companies from exerting pressure on their field men to appoint more and more agents and on their agents to write more and more business, such as prevailed a few years ago."

"The present situation must right itself at the source—that is, with elimination of the unfit and future care in agency appointments. The conscientious agent does not need to be policed, and he naturally resents the inference that he does. Mr. Best says that he is willing to organize the proposed clearing house and operate it equitably and economically 'if our friends on both sides of the fence wish us to do so.' His friends on the agency and brokerage side of the fence will probably turn thumbs down on the proposal."

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 112 W. Adams St., Chicago, as of Jan. 23

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	1.50	38	41
Aetna Fire	10	2.00	30	32
Aetna Life	10	...	14	16
Amer. Alliance ..	10	1.00	12	13
American, N. J. .	2.50	.50	6 1/2	7 1/2
Amer. Surety ...	25	...	13	14
Automobile, Conn.	10	1.00	16	18
Boston	100	16.00	325	350
Carolina	10	...	10	12
City of N. Y. ...	100	2.50	75	85
Conn. Gen'l	10	.80	27	29
Continental Cas. .	5	...	7	8
Continental Ins. .	2.50	1.20	15 1/2	16 1/2
Fidel-Phenix ...	2.50	1.20	16	18
Fireman's Fund. .	25	3.00	42	43
Fireman's F. Ind. .	10	...	16	18
Firemen's	5	.60	5 1/2	6 1/4
Franklin Fire ..	5	1.00	13	15
Glens Falls ...	10	1.60	24	26
Globe & Rutgers	25	...	75	82
Great Amer. Ind. .	1	...	5	7
Great American. .	5	1.00	12	14
Halifax	10	.90	8	9
Hanover	10	1.60	23	25
Harmonia	10	1.80	9	10
Hartford Fire ...	10	2.00	39	41
Home, N. Y.	5	1.00	14	16
Hartford St. B. .	10	1.60	42	44
Home F. & M. ...	10	2.00	20	22
Homestead	10	...	6	7
Ins. Co. of N. A. .	10	2.00	33	35
Lincoln Nat'l. L. .	10	2.50	34	36
Maryland Cas. . .	2	...	2 1/2	3 1/2
Mass. Bonding. .	25	2.00	12	14
National Cas. ...	10	.40	5	6
National Fire ...	10	2.00	40	42
National Liberty	2	...	2	3
National Surety. .	10	...	6 1/2	7 1/2
National Union. .	20	...	18	21
New Amst. Cas. .	10	1.50	15	17
New Brunswick. .	10	...	10	11
North River	2.50	.60	10	11
N. W. National. .	25	5.00	70	76
Occidental	10	...	10	12
Pac. Mutual	10	2.00	27 1/2	29
Phoenix, Conn. .	10	2.00	47	49
Prov. Wash.	10	...	18	20
Sprgld. F. & M. .	25	4.50	65	67
St. Paul F. & M. .	25	6.00	108	110
Sun Life	100	...	280	300
Travelers	100	16.00	350	365
U. S. Fire	4	1.20	18	19
U. S. Fld. & G. .	2	...	3	4
Westchester	2.50	1.00	14	15

More Time Needed on Report

NEW YORK, Jan. 25.—Unable to complete its study of "other lines," the special committee of the Inland Marine Underwriters Association asked the executive committee of the organization at the meeting Jan. 19, for an extension of time within which to finish its report.

A. F. Holden Heads Pacific Northwest Special Agents

(CONTINUED FROM PAGE 3)

Porep, North America, vice-president, and George Dutton, Great American, secretary.

J. K. Woolley, in discussing the general basic schedule, recalled the plan had been put in force in Spokane and Eastern Washington with splendid results. Although in some places it was a drastic change, he said it will produce a much better income for the companies, and that to date in Washington some 15,000 buildings had been re-rated and some 75,000 insured affected. In some instances, however, the daily press being misinformed as to deviations, etc., had attacked it.

John Noble, manager of the Board of Underwriters of Vancouver, a guest at the convention, was called upon after the regular program. He paid a tribute to the results that had been obtained in British Columbia since the inauguration of the general basic schedule and paid high compliment to Mr. Woolley.

Carl White, President of the Insurance Agents League of Washington, spoke briefly along cooperative lines.

Will Meet in Milwaukee

The National Fire Protection Association will hold its 1933 annual meeting in the Schroeder hotel at Milwaukee. The exact date has not yet been decided on.



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The first principle of reconstruction lies in the conservation of resources at hand.

Insurance in a financially strong company, adequately covering all essential property, is one of the chief means of conservation.

The above is the theme of this company's national advertising.

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance except life

"The investment of insurance monies is a sacred trust, and in the administering of this trust the pet investment schemes of insurance company officials should not be made paramount!"

Excerpt from an editorial by L. Alexander Mack, published in the Weekly Underwriter of December 3, 1932.

Here is a fundamental precept of sound insurance practice with which there can be no quarrel. However, it cannot be denied that in boom times this principle was not always observed.

American Motorists management has always believed that the company's investment portfolio must never be manipulated as a source for profit, but always maintained as a bulwark of protection to its policyholders. The gratifying results obtained through adherence to a conservative policy are apparent as this carrier enters the new year with over 70 percent of its invested assets in cash, U. S. Government and selected state, county and municipal bonds — holdings which during 1932 appreciated substantially in market value.

AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President

MUTUAL INSURANCE BUILDING, CHICAGO, U. S. A.

Represented by Leading Agents Throughout the Country

"CASUALTY and Surety Coverages and How to Sell Them" by William H. Bates. All the essentials presented in an easy-to-read instructive manner. Price \$1.50. Order from The National Underwriter, A1946 Insurance Exchange.

AS SEEN FROM CHICAGO

THIEMEYER ELECTED CHAIRMAN

H. R. Thieme, field superintendent of the North America in Chicago, was elected chairman of the Western Conference of Sprinkled Risk Underwriters at the annual meeting, succeeding W. G. Martin, America Fore. R. K. Hill, Springfield, was elevated from secretary to vice-chairman and J. A. Benz, Sun, became secretary. Various committees reported. The financial condition of the association is sound, the report of the secretary showed.

* * *

WALTER E. WITHERBEE DIES

Walter E. Witherbee, former president of the Chicago Board and member of the class 1 agency in Chicago of Munger, Vokoun, Wetmore & Witherbee, died at his home in Chicago at the age of 75. Mr. Witherbee had been in poor health for about five years and had not been active in business most of that time. Funeral services were held Monday.

Mr. Witherbee was born in Flint, Mich. In 1888 he joined the Orient as special agent in Illinois and Indiana and was later transferred to Michigan and Wisconsin. In 1898 he was made general northwestern agent for the Scottish Union and in 1903 joined in organizing the present firm of Munger, Vokoun, Wetmore & Witherbee. He was president of the Chicago Board in 1922.

* * *

A. M. HOLTZMAN TO SPEAK

The lecture and lessons to be given in connection with the Continental Casualty and Continental Assurance course in the Chicago Board rooms Tuesday afternoon of next week at 5:30 will concern accident and health sales. A. M. Holtzman, director of field service of the commercial accident and health department, will give a practical sales demonstration.

* * *

FIREMAN'S FUND ROUNDUP

The western department of the Fireman's Fund instead of having all its field men in at one time for a round up and educational conference separated the group into two classes. One went to Chicago two weeks ago and the other group is at the department this week.

* * *

ADDRESSES CHICAGO ROTARIANS

President C. P. Anderson of Rotary International, who is a leading agent at Albuquerque, N. M., was a speaker before the Chicago Rotary last week. Following are the insurance members of the Chicago Rotary Club: W. N. Achenbach, manager Aetna Fire; F. C. McAuliffe, chief fire insurance patrols; C. W. Seanor, assistant general manager Underwriters Adjusting Company; R. E. Vernor, Western Actuarial Bureau; Frank Watson of C. A. Newton & Co.;

J. A. Kemper, president Lumbermen's Mutual Casualty; C. H. Eckel, Travelers; Isaac Miller Hamilton, president Federal Life; A. E. Patterson, general agent Penn Mutual Life; P. H. Williams, Equitable Life of New York.

* * *

TWO BILLS OF INTEREST

Two bills filed in the Illinois legislature are of interest to fire insurance men. One, S.B. 59, would amend the fire marshal act to provide that appeals to the county court from an order to remove a fire hazard may be tried at any time. The other, S.B. 126, makes it a misdemeanor for the mortgagor of real estate to remove or dispose of a building on property during the mortgage.

* * *

CHECK ON UNION INDEMNITY

Companies are checking up on agencies that represented the Union Indemnity, especially where they are behind in their balances, as it is felt some of these offices will attempt to use their insurance money to take care of unearned premiums of the policyholders of the Union Indemnity. Where agents are finding it difficult to meet demands, the sudden and further unexpected obligation throws them still further out of plumb.

* * *

BROKERS' QUARTERLY MEETING

A national association of insurance brokers actually has been started, and before long formal organization will be announced, J. A. Mudd, Jr., Continental Casualty, reported at the quarterly meeting of the Insurance Brokers Association of Illinois held in Chicago. The Brokers Association of the Metropolitan District of New York is the nucleus and headquarters probably will be there. It is proposed that only national issues affecting brokers will be considered by the national association, and to this end the constitution and by-laws probably will contain provision that no local association will be permitted to present a local or sectional matter for discussion.

Ernest Palmer, manager Chicago Board and newly appointed insurance superintendent of Illinois, appeared briefly and was congratulated. President A. S. Schwartz touched on conditions to be met this year. He believes that out of the chaotic situation will arise insurance representatives stronger, bigger and better qualified than ever to represent the insurance buying public. Stock insurance, he said, has the fewest weaknesses subject to carefully analyzed attacks, and with few exceptions has stood well throughout the financial debacle. Gail Reed of Fred S. James & Co. reported as chairman of the legislative committee on proposed amendments to the

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Assureds place great responsibility upon Agents in providing Sound Insurance Protection.

Let us help you Assume that responsibility through policies in

THE HANOVER or THE FULTON

\$4,000,000 CAPITAL JAN. 1, 1932

\$7,816,196 POLICYHOLDERS' SURPLUS

\$18,824,484 ASSETS

LOSSES PAID SINCE ORGANIZATION \$75,358,933

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

brokers' qualification law. He said the present qualifying law does not completely meet the situation. There should be faithful and honest discharge of duties imposed by that law through an examining board. There should be, as contemplated in the amendment, a deputy insurance superintendent domiciled in Chicago, where most of the brokers of the state are concentrated.

The brokers started a new project, publication of a monthly bulletin, in the hands of a publicity committee headed by F. C. Bracken. L. T. O'Brien reported on qualifications, urging that members file in legal form their objections to licensing of certain brokers. Past President F. P. Lavin reported for the executive committee, stating the brokers had no part in reduction of the rate and minimum premium on furrers', customers' policies and many troubles of the business appear to be due to the desire of companies to get business in bulk instead of recognizing all rights of producers. A. J. Gallagher, Hartford Accident, announced that a bi-monthly class of instruction on non-stock competition, with lectures by prominent insurance men and round table discussions, is contemplated. E. E. Mack, Rockwood Company, reported for the committee on relations with the Chicago Board, telling of the brokers' protest against application of the \$1 policy fee.

* * *

SCHEEHAN WITH LEVENS

Philip C. Scheehan, a practicing attorney of Chicago for 20 years, the last ten specializing in insurance cases, has taken offices with W. S. Levens, independent adjuster of Chicago and will act as Mr. Leven's trial attorney. Mr. Scheehan, however will continue his own practice.

* * *

UNDERWRITERS LABORATORIES

The annual meeting of the directors of the Underwriters Laboratories will be held in Chicago Friday of this week. The expectation is that there will be no change in officers.

* * *

J. S. GLIDDEN IS SLATED

J. S. Glidden will be recommended by the executive committee of the Chicago Board for the position of manager at the annual meeting of the board Thursday of this week. He now has the title of associate manager. In view of the fact that Ernest Palmer, manager and general counsel of the Chicago Board, has been appointed insurance superintendent of Illinois, Mr. Glidden is the natural choice for manager. He will undoubtedly be elected.

For the present, the plan is not to elect anyone to the position corresponding to that now held by Mr. Glidden.

Mr. Glidden is the son of Henry H. Glidden, who was for many years manager of the Chicago Board. He has been identified with insurance since 1900. From 1904-06 he traveled for the Citizens of Missouri and for the next two years was branch manager of the Indiana Inspection Bureau at Fort Wayne. He then joined the Chicago Board and held various positions until becoming assistant manager in 1919. He was named associate manager in 1923.

* * *

C. W. Senbury of Marsh & McLennan presided at the annual meeting of the Chicago Association of Commerce Wednesday of this week.

* * *

The Automobile Superintendents Club of Chicago held its semiannual meeting, a purely social affair, at the Lake Shore Athletic Club. After dinner, the members played golf, bowled, etc.

* * *

The class 1 agency in Chicago of H. M. Hansen & Co. has taken on the representation of the Commonwealth in place of the Royal.

* * *

R. C. Hosmer of Syracuse, N. Y., vice-president of the Excelsior, was in Chicago this week calling on old friends.

Reelect Haid and His Entire Staff

(CONTINUED FROM PAGE 3)

On the other hand, should they pursue an ultra conservative course with respect to business-getting, their expense ratios, already too high, will mount still higher. In other words, the collection of premiums continues to be the largest problem with which the managerial mind is now confronted. While all companies have had virtually the same experience with respect to getting in agency balances in 1932, each pursuing some slightly different method, no uniform plan has yet been suggested.

Organization Studies Subject

The I. E. A. has the matter before it, and it may be that, following an intensive study of the different phases involved, it will be in position before long to submit a program to member companies.

The effort to cement more closely relations between companies and agents will be continued. Informal conferences to this end have taken place in recent months, and at an early date it is likely a joint meeting between accredited representatives of the companies' organization and the National Association of Insurance Agents will be held in this city.

Hartford Leaders Watch the Times

(CONTINUED FROM PAGE 3)

which is least necessary to the public welfare has suffered the least. This is the public utility. It would be quite possible to destroy the light and gas companies and substitute other fuel but it is an utter impossibility for us to exist without the railroads.

"There is only one 'real' investment," a company president said today. "That investment is placing of capital in something vitally needed for economic livelihood. If one bought the stock or bonds of a lip-stick manufacturing company it would not be an investment in any sense of the word. It is speculation. Lipsticks are not needed. True, they are used, but they could be discarded."

Commercial Union Assigns Gleiser to New York Post

ST. LOUIS, Jan. 25.—Oscar C. Gleiser, who has been located here as secretary of the American Central, is being transferred to the United States head office of the Commercial Union group in New York as secretary of the various companies in that group. Mr. Gleiser came to St. Louis from New York, where he was general agent for the Commercial Union. He was general agent in Chicago, when the western department of the Commercial Union was located there, and then was transferred to New York when the western department was taken up. He traveled in the Indiana field for several years for the Commercial Union.

Cornell Names Committees

F. H. Cornell, the new president of the Farm Underwriters Association, has announced his committee appointments. Members of the managing committee are: W. H. Lininger, Springfield; Robe Bird, American; A. G. Dugan, Hartford; J. W. Gregory, Crum & Forster; I. D. Goss, America Fore; W. N. Achenbach, Aetna Fire; S. M. Buck, Fireman's Fund; W. T. Avey, North America, and C. R. Street, Great American.

Mr. Goss is chairman of the fire prevention and farm forms and estimates committee. Mr. Bird is chairman of the contact committee, and C. E. Parks, National of Hartford, is chairman of the revision of farm policies committee.

NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



SIXTY-SECOND ANNUAL STATEMENT

January 1, 1932

Assets

United States Bonds.....	\$ 3,240,750.00
State and Municipal Bonds and Stocks.....	11,947,166.38
Canadian Bonds, Government and Municipal.....	280,980.00
Foreign Bonds	111,750.00
Real Estate	362,750.00
Agents' Balances	810,628.25
Accounts Receivable	224,469.79
Cash in Banks.....	471,765.15

\$17,450,259.57

Liabilities

Capital Stock	\$ 3,000,000.00
Unearned Premium Reserve.....	4,974,184.57
Reserve for Losses.....	614,062.85
Reserve for Taxes and Other Liabilities.....	338,374.86
Reserve for Dividends Declared and Unpaid.....	150,487.94
Reserve for Market Fluctuations....	\$2,325,343.00
Surplus, Dec. 31, 1931, Values.....	6,047,806.35

Surplus, Convention Values..... 8,373,149.35

\$17,450,259.57

NOTE: Bonds and Stocks at Insurance Commissioners Convention valuation.

AFFILIATED COMPANY

Granite State Fire Insurance Company
Portsmouth, N. H.

THE NATIONAL UNDERWRITER

Published every Thursday

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JOHN F. WOHLGEMUTH, Secretary
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627 Insurance Exchange
R. J. CHAPMAN, Resident Manager



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Backward Step for Indiana

WORD is passed around that a movement is being started in the Indiana legislature to bunch the Indiana insurance department with other departments in the state and have a supervisor over all of them with the thought of bringing about economy and greater efficiency. In this way the insurance commissioner would be subordinated to a higher official. If this step be taken it will be a long backward one for Indiana insurance-wise. Just now Governor HORNER of Illinois has stated that he feels the subordination of the insurance department in his state has been a mistake. He may recommend even at this session restoration of the department to its former position. Nebraska also has a double decked arrangement, which has not been satisfactory. It is now trying to unscramble the omelet.

The insurance business is so large in its scope and so far reaching that the policyholders deserve protection that is protec-

tion. The subordinated insurance commissioner naturally loses his authority. It opens the way for more political juggling at the state house. The Virginia department, which in days gone by under Col. JOSEPH BURTON, was one of the strongest in the country, has been placed under a commission and as a result its force and power are gone. Wherever this plan has been put into play it has proved a failure. Indiana is one of the great insurance states of the country because it has so many home offices. The people of this country are requiring better supervision and regulation along fundamental lines. Insurance enters into the lives and activities of so many people that the insurance commissioner should be accountable only to the governor. We hope Indiana will not commit a major error and weaken its standing among the states from an insurance regulation standpoint.

Official Attacks State Schemes

THAT is an illuminating document coming from the attorney general of South Dakota in which he excoriates the state hail and state bonding schemes that were put into effect in his commonwealth some years ago. Both state funds show a heavy deficit. If the truth were known probably all state funds of this character would be in the same condition. It would be interesting to apply his logic to the state workmen's compensation funds in various commonwealths.

The South Dakota official says that these state funds could not stand for a moment under the searchlight unless they were given special privileges. He finds that if the insurance commissioner were required to exercise the same discipline as he does over private companies these state funds could not exist for a moment. He sees no reason why schemes of this kind are to the advantage of the public. He said that they have had no appreciable effect on rates. The private companies are serving the citizens in good stead. There is sufficient competition engendered between the various classes of companies so that there is not much danger of the people being exploited. In the long run these state propositions that are not placed on the same basis as private companies are able to continue because of the leniency shown them. But in the long run the taxpayers pay the freight. That is now being borne out forcefully.

"Forgotten Man" Is Discovered

ROOSEVELT'S "forgotten man" has been located. He was in attendance at the meeting of the insurance and banking sub-committee of the House District of Columbia committee, when a hearing was held on the proposed insurance code for the District. During rollcall, when each of those in the room was asked to

give his name and the particular interest he represented, the chairman put the question to one individual who seemed in a daze as to what it was all about, only to be informed that he was a member of the committee, and it later developed, he has been a member of the committee for some time.

PERSONAL SIDE OF BUSINESS

Will S. Thompson, Hutchinson, Kan., former president Kansas Association of Insurance Agents, has a sense of the fitness of procedure. The Sun of England is celebrating its golden anniversary, its 50th year in this country. So its management sought golden jubilee risks, new business in compliment to the company and its eventful year. Mr. Thompson represents the Sun and received the golden appeal. He responded by writing a policy on very desirable property owned by O. W. Golden.

J. Gilbert Leigh, vice-president of the L. B. Leigh & Co., general agency Little Rock, has been elected vice-chairman of the Arkansas State Chamber of Commerce and chairman of its executive committee. Several weeks ago he was reappointed a director of the ninth district federal home loan bank, which has its principal office at Little Rock.

The National Union of Pittsburgh has prepared a pamphlet, "What Our Home Folks Think," consisting of photographs of large buildings in Pittsburgh, which carry National Union insurance. Among those buildings are the Cathedral of Learning, Frick building, East End Savings & Trust building, Chamber of Commerce, First Presbyterian Church, Farmers Bank building, Koppers building, Allegheny General Hospital, Sacred Heart Church, First National Bank building, Gulf building, and Federal Reserve Bank, Ruskin Apartments, Homeopathic Hospital, B'nai Israel Synagogue, Union Trust Company building, Webster Hall, St. Paul's Cathedral, Pittsburgher Hotel, Bell Telephone Company building, Schenley Apartments, Morewood Gardens, William Penn hotel and Oliver building.

The Aetna Fire, in its western department in Chicago, has three officials who are hardy and fanatical year-round golfers. Each Sunday morning, be it in February or June, they play the Bartlett Hills course near Elgin, Ill. Last year they missed only five Sunday mornings and the year before only six. They are **W. J. Tippery**, assistant manager; **F. M. Berlin**, cashier and office manager, and **E. L. Vaughan**, agency supervisor.

J. L. Peterson, special agent Iowa National Fire for northwest Iowa, is now recovering at his Webster City, Ia., home following a serious surgical operation and a four weeks' stay in the hospital. Mr. Peterson has been with the Iowa National as special agent since it started in 1917.

B. V. Legg, Michigan state agent of the Liverpool & London & Globe, who has been seriously ill with pneumonia for a number of weeks, is now rapidly recovering. He expects to return to the field shortly.

Robert Lecky, Jr., well known Richmond, Va., local agent, is rounding out 50 years in the fire insurance business. At the age of 13 he entered the business as office boy for the J. W. Gordon general agency in Richmond. Four years later he became special agent for the Hamburg-Bremen, supervising Virginia, West Virginia, North Carolina and South Carolina. At the age of 19 he was appointed Virginia special agent for the Continental when that company first entered the state. Two years later he joined the old Virginia State as special agent. At 24 he became vice-president of that company. A year later found him representing the Milwaukee Mechanics and Firemen's of Baltimore as southern manager at Richmond. Mr. Lecky has been in the local agency business in Richmond for the past 20 years.

C. R. Tuttle, western manager of the North America, plans to leave Saturday for a two weeks' visit in California. He

plans to return to Chicago for a time and then to return to California for a longer stay. It is Mr. Tuttle's custom to spend considerable time in California in the winter.

Ancel Earp, past president of both the Oklahoma Association of Insurers and the Associated Fire & Casualty Underwriters of Oklahoma City, has been elected president of the Oklahoma Better Business Bureau.

Mrs. Homer Caldwell of Peoria, Ill., wife of the state agent of the Springfield Fire & Marine, who underwent an operation for appendicitis during the holidays, is now recovering. Mr. Caldwell, owing to the illness of his wife, has been kept very close at home.

David C. Pugh, Columbus, O., special agent for the Royal group in Ohio, was seriously injured in an automobile accident near Cincinnati. He is now confined to Christ Hospital in that city.

H. J. Whittier of Louisville, 57, state agent in Kentucky and Tennessee for the Rhode Island group, died Jan. 23 at Chattanooga, Tenn., following a heart attack. E. T. Lawrence, state agent for the Camden, a close personal friend, was with him at the time.

Mr. Whittier went to Louisville six years ago from Wichita, Kan. He had been with the Rhode Island 11 years and in field work for many years more.

Mrs. C. R. Street, wife of the vice-president and western manager of the Great American, is recovering from a severe case of pleurisy and pneumonia.

Charles T. Wright, veteran special agent for the Great American in Illinois, is under the weather and is resting at his home. He spent a week end in a Chicago hospital under observation.

Charles M. Tobin, who was formerly special agent in western New York for the Commercial Union, died in his native city of San Antonio at the age of 61. Mr. Tobin was San Antonio campaign manager for Governor Sterling last year.

H. M. Carmichael, Chicago, manager Oil Insurance Association, who is to be one of the principal speakers before the annual meeting of the Fire Underwriters Association of the Pacific next month, reached San Francisco last week. Mr. Carmichael plans to visit southern California prior to the F. U. A. P. meeting.

The Southern Fire, Durham, N. C., and the American Hardware Mutual, Minneapolis, have been licensed in Wisconsin. The name of the Western Grain Dealers Mutual Fire of Des Moines has been shortened to the Western Mutual Fire.

Father and Son Receive 25 Year Service Medals

F. W. Ide, Creston, Ia., was presented a 25-year service medal by **Barrie Curran**, Continental state agent, at a banquet recently. A unique circumstance associated with the presentation of the medal was that **George A. Ide**, father of F. W. Ide, was presented with such award in 1915. This is the only case known where father and son have received such recognition from the Continental. **R. G. Vincent**, state agent, acted as toastmaster. **S. S. Matson**, **J. W. Hull**, **J. E. Cryan** and **W. N. Boyd** also represented the company.

General Agents

will give you that

"extra help" so needed

to sell business today

This cooperative goodwill campaign which explains the advantages of the General Agency plan is fostered by the General Agents whose names are listed. Each of these is a member of the American Association of Insurance General Agents. Their duties are purely supervisory.

THESE GENERAL AGENTS DO NOT COMPETE WITH LOCAL AGENTS

ALABAMA

HURT & QUIN, INC.
Atlanta, Ga.

ARKANSAS

COATES & RAINES, INC.
Little Rock, Ark.

TREZEVANT & COCHRAN
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FLORIDA

HURT & QUIN, INC.
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BRADSHAW & WEIL, GEN. AGCY., INC.
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TREZEVANT & COCHRAN
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NEW MEXICO

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NORTH DAKOTA

WESTERN SURETY AGENCY, INC.
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OHIO

G. L. RAMEY AGENCY, INC.
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OKLAHOMA

AMERICAN AGENCY CO.
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Sioux Falls, S. D.
WESTERN SURETY AGENCY, INC.
Sioux Falls, S. D.

TEXAS

CRAVENS, DARGAN & CO.
Houston, Tex.

TREZEVANT & COCHRAN
Dallas, Tex.

WISCONSIN

C. P. HELLIWELL
Milwaukee, Wis.

THESE GENERAL AGENTS ARE IN EFFECT HOME OFFICES IN THEIR TERRITORY

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Proof Provisions Construed

United States Circuit Court of Appeals Passes on Famous West Virginia Case

The West Virginia rule that failure to file loss proofs under a fire policy within 60 days does not void the policy and that filing proofs is merely a condition precedent to an action on the policy has been followed by the United States court of appeals of the fourth circuit at Richmond, Va., in a number of companion cases involving an interpretation of the West Virginia statutory policy form.

The court holds that the adoption of the New York standard policy as the statutory form for West Virginia did not repeal by implication the West Virginia valued policy law of 1899.

In the case at bar, the fire occurred April 9, 1931. It continued to burn in the basement of the building for a week or more after it began. Proofs of loss were not filed until June 13. The court agreed with the plaintiff's contention that the 60-day period for filing proofs would not begin to run until the fire had sufficiently abated to allow a full inspection of the property. While federal courts are not bound by the decisions of the state in matters of general insurance law, the court said, "When the legislature of a state prescribes the language which a policy must contain, judicial interpretation of that language is in effect judicial interpretation of the statute itself and becomes a part of the statute." The federal court followed the decision of the West Virginia supreme court in *Raleigh Hardware Company v. Williams*, 144 S.E. 879, holding that failure to furnish proof of loss within 60 days merely limits and does not bar action.

The higher court held that both the valued policy law and the statutory policy form should be given effect "if the general language of the uniform policy be construed as applying generally and the valued policy statute be construed as creating an exception to its general application." The valued policy law was reenacted in 1931 subsequent to the fire in question and the insurance companies had contended that it was inoperative from the enactment of the standard policy law until the adoption of the 1931 statute.

The case is the *Niagara Fire et al. v. Raleigh Hardware Company*.

New Lorain County Board Succeeds Two City Boards

A new insurance board has been formed in Lorain county, O., to take the place of the two former boards in the cities of Lorain and Elyria. Agents in other towns in the county are included in the new board.

Two directors of the new board are from Lorain, two from Elyria and three from other towns. This is to be the ratio of representation for the future.

Charles L. Sotherden, Elyria, was elected president of the new board; Gust Kolinski, Elyria, vice president; W. N. Robbins, of Lorain, secretary. Directors for one year are R. W. Standen, Elyria, and C. F. Cooper of Amherst; for two years, James A. Price, Lorain; H. I. Covault, Lorain; L. E. Burgner, Oberlin; three years, Guy E. Wells, Wellington, and H. B. Somers, Elyria.

The organization meeting was attended by about 30 agents. The plan is to hold meetings the second Wednesday of each month.

Cleveland Losses Reduced

Arson Squad Has Done Some Excellent Work in Its Particular Activity

There has been a substantial reduction in Cleveland losses during the two-year administration of Fire Chief Granger. The loss last year was \$2,082,415 as compared with \$2,381,102 in 1931 and \$3,831,035 in 1930. Incendiary losses last year were put at \$545,728 and those of undetermined causes \$565,730. About 90 percent of the latter are known to be of incendiary origin but evidence was lacking. The arson squad of the Cleveland department has done some remarkable work. It is the first ever handled by a fire department, similar squads in other cities operating with police supervision. The Cleveland squad is vested with police power and has its own attorney to prosecute cases. P. E. Barrett is chief of the squad. Last year it investigated 755 cases, made 139 arrests, secured 57 indictments, got 44 adult convictions for arson.

One of the most active arson rings of recent years in the central west was uncovered by the arson squad in Cleveland. The disastrous Ellington apartment fire there last June has led to charges of murder being lodged against R. I. Turk, alleged employer of the ring, and three members. Evidence has been gathered showing that Turk had the building fired by the gang to collect fire insurance on his American Beauty & Barber Supply Co. store in the building. Most of his assets had been hauled out of the store and taken to Pittsburgh before the fire according to information compiled.

Rule Modification Is Urged

Some Agency Leaders in Ohio Advocate Change in Short Rate Cancellation Plan

Representatives of nine Ohio cities gathered in the office of T. B. Sellers, manager of the Ohio Inspection Bureau, in Columbus, to discuss the short rate cancellation rule in Ohio, which was adopted to prevent return premiums during the life of a policy when there is a slight change in the rate. Some of the agency leaders in Ohio are advocating a modification of the rule, although those that are so opposed declare that they are in favor of the principle involved.

The meeting was held at the request of the executive committee of the Ohio Association of Insurance Agents. Agents from the following cities were present: Akron, Canton, Cleveland, Columbus, Lima, Springfield, Toledo, Warren and Youngstown.

PROTEST CANCELLATION RULE

CLEVELAND, Jan. 25.—The short rate cancellation rule in Ohio has created considerable turmoil since its adoption and a number of agents in the state are aligned against its present form. The plan, it is believed, may be worked out satisfactorily with changes but the present setup has some opposition. Protests against it have been voiced in many cities of the state and changes are expected.

Survey of Cincinnati

National Board engineers are in Cincinnati making a survey of fire protection facilities and practices. The survey

will cover changes made in the last nine years. A. F. Balou, J. A. Hawthorne and G. J. Robinson make up the staff of investigators. They will be in Cincinnati for about two months.

More Rates Published

The annual report of the West Virginia Inspection Bureau shows that more rates were published for Charleston and Wheeling in 1933 than in either of the two previous years. The total for Charleston in 1932 was 29,778 compared with approximately 24,000 in each of the two previous years and for Wheeling 22,478 compared with 20,000. In 1932 the bureau published 77 tariffs. The number of reports for 1932 is approximately the same as for the previous two years, 1,474. The tariffs published were one for a class 6 town; eight for class 7 towns; 12 for class 8 towns and 46 for class 10 towns.

Leaves No Vacancy

The transfer of Special Agent John W. Besterman of the Alleghenia Fire in West Virginia to Indiana and Illinois will not leave a vacancy in the former field as State Agent E. W. Chester will travel the territory alone.

Cleveland Board Meets Feb. 8

CLEVELAND, Jan. 25.—The annual meeting of the Insurance Board of Cleveland will be held Feb. 8. The following trustees' terms will expire: Harry R. Manchester, W. I. Keetch and A. W. Henry. The nominating commit-

tee will name two candidates for each vacancy.

Hale Placed in Charge

Effective Jan. 16, the Bluefield, W. Va., office of the Fire Companies Adjustment Bureau, previously under jurisdiction of the eastern department, passed under control of the southeastern department. F. S. Hale has been given charge of the Bluefield office, which in addition to its present territory will cover four counties in Virginia.

Report Inspection Bureau's Work

The Ohio Inspection Bureau issued 373 rate tariffs during 1932. One was issued for a class 3 town; one for a class 4 town; three for class 5 towns; nine for class 6 towns; 23 for class 7 towns; 40 for class 8 towns; 98 for class 9 towns and 197 for class 10 towns. The total number of rates published was 362,860. During the year the bureau published 5,906 special reports.

Ohio Notes

Mrs. R. L. Reynolds of Columbus, O., wife of the state agent for the Connecticut Fire, is recovering from a serious illness.

The Warren Country Club of Warren, O., was destroyed by fire last week. The fire department answered the call and succeeded in saving other buildings. It was handicapped, however, due to lack of water. The total insurance on the buildings was \$37,000 and contents \$10,000. It is supposed the fire originated from a defective flue.

CENTRAL WESTERN STATES

Detroit Board's Annual Meet

Newnan, Hollister and Ginsburg Elected Directors—Will Meet Soon to Name Officers

DETROIT, Jan. 25.—H. L. Newnan, vice-president Detroit Insurance Agency (reelected); H. K. Hollister, R. E. Paris agency, and F. A. Ginsburg, F. A. Ginsburg & Co., were named as directors of the Detroit Association of Insurance Agents. The directors will meet within two weeks to select the officers.

President Pearce B. Bland, Cadillac Agency, presided at the business session and J. Alfred Grow, Homer Warren & Co., past president, acted as toastmaster, introducing six past presidents: G. W. Carter, first president; C. L. Raymond, C. E. Freese, J. L. Dickinson, W. A. Doyle and A. G. Crandall. Mr. Grow said the Detroit board is one of the few insurance organizations that have been in existence for as long as 15 years, all of whose past presidents are living and active in the business.

He also introduced several leading figures in the Michigan Association of Insurance Agents, including Charles E. Freese, Detroit, president; Phil J. Braun, Flint; J. W. Mundus, Ann Arbor, member governing committee, and J. L. Van Wagoner, Pontiac.

Protest High Sprinkler Rates

KALAMAZOO, MICH., Jan. 25.—Considerable pressure is being brought to bear on the city government to lower the rate on water supplied to sprinkler systems installed in local buildings. The present charges, it is contended, are higher by far than those charged the general consumer although E. S. Weber, secretary of the chamber of commerce, points out it would be far more logical to grant an especially low rate for the sprinkler systems.

Hanson Makes His Report

Illinois Superintendent Stresses Economy Measures, Gives Net Premium Figures for 1929-1931

Retiring Superintendent Hanson of Illinois in his report to Governor Horner stresses the reduced budget for the biennium beginning July 1, 1933, lower by \$168,800 than for the previous biennium. He said it would not reduce efficiency. A possible saving through consolidating tasks in the department would increase the reduction to \$218,000.

Mr. Hanson reported 19 companies were organized in 1932, 28 admitted, 20 Illinois companies, and 52 from other states withdrew; 12 Illinois companies were reinsured, two consolidated, 149 companies examined and 30 referred to the attorney-general under the liquidation act.

Comparison of Receipts

A comparative statement of department receipts showed for 1931, \$6,083,971 received by the department in state taxes, licenses and fees; \$274,450 expenses, or 4.51 percent. For the biennium ended July 1, 1931, collections were \$12,960,151 and operating expenses \$504,363, or 3.1 percent.

Mr. Hanson reported net premiums for the years 1929-1931, inclusive for various types of carriers. Casualty: stock—\$62,346,670, \$58,247,846 and \$52,987,556, respectively; mutual—\$9,501,377, \$8,587,911 and \$6,978,879; assessment accident and health associations—\$4,561,438, \$4,609,756 and \$4,451,088; assessment life, accident and health—\$567,165, \$486,539 and \$379,351.

Fire: Stock—\$72,053,195, \$63,726,148 and \$51,490,309; mutuals—\$5,113,063, \$4,771,515 and \$4,027,603; reciprocals—\$349,999, \$894,746 and \$212,838; farm

LOYALTY GROUP

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL
 \$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
 HENRY M. GRATZ, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board
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 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

mutuals—\$1,388,985, \$1,756,472 and \$1,840,110.

Lloyds—\$1,083,337, \$1,238,826 and \$1,353,038.

S. V. Coultas, Local Agent, New Illinois Fire Marshal

Sherman V. Coultas of Jacksonville, Ill., is the choice of Governor Horner of Illinois for state fire marshal to succeed S. L. Legreid. Mr. Coultas is a native of southern Illinois, having been born on a farm near Jacksonville. He has been operating an agency in that city for many years. He represents the Concordia, Dubuque Fire & Marine, Firemen's, Illinois Fire, Merchants of Colorado, Standard of New Jersey, American States of Indianapolis, Commercial Casualty, Freeport Motor Casualty, Metropolitan Casualty, New Century Casualty. He was confirmed by the Illinois senate Tuesday.

Reelect Bartelt Quincy President

At the annual meeting of the Quincy, Ill., Board of Underwriters G. F. Bartelt was reelected president; Harry Hofer elected vice-president and V. G. Musselman, secretary-treasurer. This

will make the sixth year in office for President Bartelt and Secretary Musselman. The three officers and Kley Miller, Miller, Castle & Freiburg; Donald Binkert, Binkert & Son, and M. N. Winters, J. M. Winters & Sons, constitute the executive committee. The board decided to support the drivers' license law, patterned after that proposed by the National Safety Council.

Grand Rapids Loss Low

The 1932 per capita fire loss in Grand Rapids, Mich., was only 67 cents, the total loss being \$113,473. In 1931 the per capita loss was \$2.07. During 1932 the fire department and the fire marshal's division made 90,183 inspections.

Muncie Preventionists Active

Harry K. Rogers of the Western Actuarial Bureau in his two-day appearance recently at Muncie, Ind., gave four shows each day. The evening of the second day members of the school board and the superintendent of schools attended the regular meeting of the Muncie Insurance Association, at which Mr. Rogers gave a talk on fire and accident prevention. Superintendent D. W. Horton of the Muncie schools spoke on behalf of the school board.

The Muncie Insurance Association

expects to have Mr. Rogers appear at a return engagement in the early spring, at which time a meeting will be arranged in the large field house.

Break Up Arson Ring

State Fire Marshal Legreid of Illinois in cooperation with investigators for the National Board and the police of St. Louis, is believed to have broken up an alleged arson ring which for the past eight years has operated extensively in southern Illinois. In connection with the investigations 15 persons are under indictment for their alleged part in causing fires in Centralia, Jacksonville and West Frankfort that did \$650,000 damage.

Indiana Directors to Meet

A meeting of the board of directors of the Indiana Association of Insurance Agents is to be held in connection with the meeting of the association in Indianapolis Jan. 31, for which a stimulating educational program has been arranged. A number of important problems will be up for consideration at the directors' meeting.

The annual meeting of the Insurance Federation of Indiana will be a short session and the officers for the ensuing year will be announced.

R. D. Harvey Heads Bank

Richard D. Harvey, former United States manager of the Royal Exchange, has been elected a director and president of the First National Bank of Danville, Ill. Mr. Harvey retired from his insurance post about 13 years ago. His wife, who is dead, was the daughter of the late John L. Tincher, who founded the First National Bank of Danville in 1858. Mr. Harvey does not plan to direct the operation of the bank.

Luncheon Club Revived

A Monday luncheon club, similar to the one which was discontinued about four years ago, has been organized in

Grand Rapids, Mich., by members of the Blue Goose and persons eligible for membership in it.

At the opening meeting, 18 were in attendance. The group has reserved a section of seats for the golden gloves fight in Grand Rapids, Friday, Feb. 3. The first two meetings were held in the Elks Club, but hereafter they will be held in the Association of Commerce building. Insurance men in other cities are invited to attend when in Grand Rapids.

Act on Fire Fighting Facilities

Fire-fighting facilities of Saginaw, Mich., are again being extended to nearby suburban territory after a period during which protection was denied because the affected territories would not meet the city's contract provisions.

The Bay City commission has decided to demand guarantees of payment in written form before extending fire-fighting aid to nearby communities.

Indiana Agent Gets State Post

R. Hitchcock, who for some years has been manager of the People's Insurance & Realty Co., Bloomington, Ind., has been appointed assistant adjutant general of Indiana. Mr. Hitchcock is a captain in the National Guard and secretary of the Indiana National Guard Association. He was in the insurance business at Winchester, Ind., for three years before going to Bloomington.

Elvis on Job Again

C. R. Elvis, independent adjuster of Urbana, Ill., after being confined to the hospital since Dec. 19, is now ready to get back to work. He has sent post cards to his friends announcing his recovery.

Jesse A. Bailey of Bailey & Ferguson, Richmond, Ind., and his wife were seriously injured in an automobile accident.

R. H. Fletcher, Sr., 73, head of the R. H. Fletcher & Co. agency, Bay City, Mich., and a former state labor commissioner, died last week from pneumonia.



PHOENIX ASSURANCE COMPANY, Ltd.

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1782 - - - 1933

Time-tested

Depression-proof

An Insurance Company that has endured and prospered for over 150 years is a good one to represent.

You can expect such a Company to continue in the future to uphold proper practices and co-operate with its Agents as it has in the past.

One hundred and fifty-one years means more than age—it means experience, sound and sane judgment, underwriting skill.

PHOENIX INDEMNITY COMPANY

55 Fifth Avenue, New York

Metropolitan Department, 150 William Street.

STATES OF THE NORTHWEST

Must Fit Policy to the Risk

George W. Harsh Tells Minneapolis Insurance Club Such Action Is Essential at Present

MINNEAPOLIS, Jan. 25.—A record attendance marked this week's meeting of the Insurance Club of Minneapolis, when George W. Harsh, vice-president and secretary of Charles W. Sexton Co., spoke on "The Insurance Outlook for 1933."

"Local agents must fit the policy to the risk if they are going to meet successfully the conditions which will exist this year," Mr. Harsh said. "Local agents, brokers and employees of insurance companies who develop business must work out a solution to the difficulties which will result from the present socialistic trend of affairs."

"If the cost of producing a certain type of business is too high, the stock companies will not get it. A factor of increasing importance is that rates of compensation for stock insurance are largely fixed and don't change easily, while mutual companies have immediate control of the cost of production."

Edward C. Stone, United States manager Employers' Liability, has been invited to address the club March 8. The annual meeting will be held Feb. 20.

The Minnesota Blue Goose consolidated its regular meeting this week with that of the Insurance Club of Minneapolis to hear the address by Mr. Harsh.

H. N. Northrup, 70, senior member of the Northrup & Friedland agency, Menasha, Wis., died suddenly of a heart attack.

Excellent Fire Record Made

Two Rivers, Wis., City of 10,500, Is Proud of Its Showing in Matter of Fire Losses

With a per capita fire loss of only 8½ cents last year, Two Rivers, Wis., a city of approximately 10,500 population, is proud of its record in this respect. The value of the property involved in the 61 fires that occurred during the past year was \$900,000, according to Fire Chief Rahn, while the fire losses amounted to only \$856. Commenting on the situation, Chief Rahn said that while the fire department naturally will get the credit for the new fire loss record established, the real credit belongs to the citizens of Two Rivers, who practiced fire prevention at all times and gave the fire department their earnest and loyal support.

Strelow Made State Adjuster

H. C. Strelow, formerly manager of the loss department of the Minneapolis Fire & Marine in Minneapolis, has been appointed staff adjuster in Minnesota by that company. He was formerly with the Western Adjustment in Omaha.

Dakota Nominations Made

D. C. Brown, Fargo, Dakotas state agent of the Fire Association and Fireman's Fund, was nominated for most loyal gander at the mid-winter session of the Dakota Blue Goose at Aberdeen, S. D. Elections will be held at the mid-summer session. Other officers nomi-

nated are R. L. Slater, Sioux Falls, Commercial Union, supervisor; Burt Burton, Sioux Falls, Home of New York, welder; H. O. Kallgren, Fargo, Home of New York, keeper; T. P. Davis, Fargo, Phoenix of Hartford, custodian; and W. H. Mashek, Sioux Falls, Northwestern Fire & Marine, guardian. W. I. Rowe, Aberdeen, North British & Mercantile, was named grand nest delegate. About 50 attended the Aberdeen meeting.

Turns Down State Fund Plan

MANITOWOC, WIS., Jan. 25.—Following several months of investigating, the board of education here has turned down the proposal to place fire and tornado insurance on public school buildings and their contents in the state fire fund. Instead, the board decided to continue placing its business with local agents by apportionment. The amount of insurance was reduced, all old policies cancelled and a readjustment made of the allocation of policies among the Manitowoc agents. Under the new plan one-third of the insurance expires each year and will be purchased on the three-year basis.

Kambe Gets Restraining Order

MADISON, WIS., Jan. 25.—A restraining order against Commissioner Mortensen's order denying a license to Elmer Kambe, Milwaukee agent, has been issued by the Dane county circuit

court. The commissioner issued his order after charges had been filed that Kambe owed large sums of money to an insurance company.

Continue Milwaukee Patrol

MILWAUKEE, Jan. 25.—At the annual meeting of the fire insurance patrol, operated under supervision of the Milwaukee Board, it was voted to continue the patrol for another year and, according to the state law, arrange for the 2 percent payment on fire insurance premiums collected in Milwaukee by fire companies.

Minnesota Executive Committee Meets

The executive committee of the Minnesota Association of Insurance Agents met in St. Paul Jan. 25. R. J. Lilly, chairman, presided.

Kenosha Favors State Fund

The city council of Kenosha, Wis., has adopted a resolution authorizing the city manager and director of finance to place the fire insurance on city buildings with the state fire fund. The transfer is to be made gradually as the present policies expire.

Lund in Chicago

Carl G. Lund, manager of the General Inspection Bureau of Minneapolis, was in Chicago this week.

IN THE MISSOURI VALLEY

Stricter Regulation Sought

Commissioner Hobbs Presents Bills to Kansas Legislature—Wants Department to Regulate Casualty Rates

TOPEKA, KAN., Jan. 25.—Measures presented to the Kansas legislature by Commissioner Hobbs provide for:

Giving the insurance department authority to regulate casualty, surety and fidelity rates.

Requiring licenses of all adjusters and permitting the commissioner to revoke or cancel licenses for offenses.

Extending the powers of the commissioner in securing evidence for violation of agents' license law.

Extending the power of the commissioner in issuing licenses to insurance companies and to examine into methods and practices and investments.

Requiring mutual companies to have \$100,000 surplus instead of \$50,000 and limiting amount of risks to be written.

Fixing limits of risks to 10 percent of the surplus, requiring that assets be ten times limit of any single risk and compelling companies writing compensation and surety business to maintain a surplus of \$200,000 instead of \$50,000.

Requiring that companies furnish

blanks for proof of loss within ten days after notice of loss is sent in.

Prohibiting officers and employees of all insurance companies borrowing funds of company and prohibiting any officer or employee receiving any fee or brokerage for handling company investments.

Authorizing the commissioner to revoke licenses of companies when the surplus or reserves are below that required for admission to this state.

Fixing \$250,000 as the capital and \$50,000 as surplus requirements for all companies organized in Kansas and requiring that full surplus be deposited with state treasury as reserve. Also requiring that accident and health companies be required to maintain \$50,000 surplus. The law does not now require any surplus for accident and health companies.

Urges Department Maintenance

OMAHA, Jan. 25.—Confronted with the danger of decreased appropriations for the fire department as a result of taxpayer demand for lower taxes, Chief Cogan has undertaken to mass public sentiment behind his budget request that calls for maintenance of the department at its present man power and the purchase of needed equipment. He tells the people that the city must choose

Can Your Assureds Furnish Proofs-of-Loss?

YOU, of course, know that your assureds must furnish detailed proof in case of a loss. But do they know that the burden of proof is left to them—that they must prove their values?

Proving values is easy for your assureds if they have a properly prepared and valued inventory. (An appraisal). Each item is described in detail and today's cost of replacement is given. Time is saved in settling a loss and, of course, worry is eliminated.

Ask for complete information regarding an appraisal for your assured's property.

What is an Appraisal?

It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

Its Advantages

1st — It discovers insurable values that have long been written off the books through unscientific depreciation. 2nd — It gives the agent, the assured, and the companies value facts of property. 3rd — It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

The Lloyd-Thomas Co.

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DES MOINES
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LONDON, ENGLAND

MEMPHIS
DETROIT
MILWAUKEE
SEATTLE
LOS ANGELES
ST. LOUIS
DENVER

Purely an Agency Company

SUSSEX FIRE

INSURANCE

COMPANY

BOTH in spirit and letter observing the principles of the American Agency System.

Cash Capital

\$1,000,000.00

COMplete facilities afforded every agent that represents this company.



GULF INSURANCE COMPANY DALLAS, TEXAS

Capital - - - \$1,000,000.00

Has surplus resources of over 200% of its liabilities.
Agents can represent this company with confident
assurance against loss to themselves.

**FIRE, WINDSTORM
AUTOMOBILE (Full Coverage)
PLATE GLASS**

Correspondence invited from agents in Ohio, Indiana
and Illinois.

Gulf Insurance Company
P. O. Drawer 1771 DALLAS, TEXAS

1805 - 1933

Caledonian Insurance Company

The Oldest Scottish Insurance Office

**Caledonian-American
Insurance Company of New York**

ROBERT R. CLARK,
U. S. Manager and President

**THE NETHERLANDS INSURANCE COMPANY OF
THE HAGUE, HOLLAND**

Est. 1845

ROBERT R. CLARK, U. S. Manager
EXECUTIVE OFFICES: HARTFORD, CONN.

between paying for its fire protection in the form of a well-manned, well-trained and well-equipped department or in higher insurance rates where the contrary condition is allowed to exist.

Postpone Wichita Inspection

WICHITA, KAN., Jan. 25.—The Kansas State Fire Prevention Association has postponed its inspection of Wichita this spring due to unsettled conditions in the field and the balance situation. However H. K. ("Smoky") Rogers will spend two weeks in Wichita giving his "clown" act in schools, addressing luncheon clubs and giving a radio program.

Field Men Discuss Legislation

WICHITA, Jan. 25.—N. Dekker, America Fore, presided at the regular meeting of the Central Kansas Field Men's Club. J. E. Mott, special agent Great American, recently transferred to Wichita, was voted to membership. Pending insurance legislation was discussed, including a bill to license adjusters. It was reported that the state fire marshal's office probably will not be consolidated with other bureaus in an economy movement now being considered, as that department is supported by direct taxation on the companies.

Nolan Opens General Agency

F. E. Nolan of Omaha, who resigned as special agent of the Buffalo in Minnesota, Iowa, Nebraska and Missouri, is opening a general agency at 604 Omaha National Bank building, Omaha. He was formerly with Crum & Forster in the field and prior to that with the Phoenix of Hartford.

Bridges to Be Honored

OMAHA, Jan. 25.—The Nebraska Blue Goose will honor L. H. Bridges, special agent of the Home, upon his departure for Chicago to travel in Illinois. R. E. Glass, manager Western Adjustment, was made chairman of the committee on arrangements. Mr. Bridges has been Nebraska welder for seven years and is grand supervisor at this time. He has been located in Omaha for 12 years. A dinner-dance will be held Feb. 11 to honor Mr. Bridges.

Win Des Moines Elevator Case

The United States circuit court of appeals at St. Louis has delivered an opinion, holding for the companies in the so-called Des Moines Elevator & Grain Co. case. The elevator was damaged Aug. 21, 1921, in what the owners claimed was an explosion and fire and in what the companies contended was merely the falling of a defective building. The companies obtained a directed verdict in the United States district court at Des Moines and this latest decision upholds that verdict. The Des Moines Elevator & Grain Co. was seeking damages of \$108,000.

Balance Rule Adopted in Missouri

COLUMBIA, MO., Jan. 25.—The W. U. A. balance rule was adopted by the Missouri Fire Underwriters Association at its meeting here last week. The rule necessitates the holding of monthly meetings, and the association will meet March 1-2 at Mexico, Mo.

Joint Meeting in Des Moines

DES MOINES, Jan. 25.—The Iowa Blue Goose and the Casualty & Surety Club of Des Moines held a joint meeting Monday. Bill Gillespie spoke on radio advertising.

Ferguson Heads Fire Patrol

KANSAS CITY, MO., Jan. 25.—Frank Ferguson, Ferguson & Page, has been elected president of the Underwriters Fire Patrol of Kansas City. Cliff C. Jones, R. B. Jones & Sons, is vice-presi-

Again the Head



A. L. McCORMACK

A. L. McCormack, vice-president of the C. L. Crane Agency Company at St. Louis, has been reelected president of the St. Louis Fire Underwriters Association. He is also president of the Missouri Association of Insurance Agents.

dent; F. V. Griffith, treasurer; B. J. Fradenburg, secretary. Raynolds Barnum and J. B. Wallace were elected directors.

Complain of Omaha Methods

Local agents in Omaha following the fire there Friday when the Browning-King Company clothing store was destroyed, complained against the methods used in fighting this fire. It started from the explosion of a can of floor wax being heated on a gas plate in the basement. The city council has cut down funds for the fire department to a point where the chief states it will be necessary to close four stations. Omaha may be due for higher rates.

Iowa Losses Reduced

DES MOINES, IA., Jan. 25.—Iowa's 1932 fire loss was \$6,626,965, a reduction of \$1,967,000 from 1931, according to the state fire marshal's report. Des Moines, with a loss of \$204,820 in 749 fires, had the largest loss of any city in the state. Sizable reductions in losses were reported in a number of cities. The largest type of loss was in farm houses, 702 of which burned at a loss of \$1,831,032.

Kansas Solons Start Work

TOPEKA, KAN., Jan. 25.—The insurance committees of both branches of the Kansas legislature have been named and Commissioner Hobbs has announced that he would present two of his proposed bills to these committees this week. One measure is to limit the investments which insurance companies may make in any single property and the loans that may be made to officers and the other for licensing insurance adjusters of all kinds.

Report Motor Club Move

WICHITA, Jan. 25.—At the Wichita Insurers' meeting last week, L. B. Brown of Anderson, Brown & Ginzel, a director of the Kansas Motor Club, affiliated with the A. A. A., advised that the club is considering including an automobile accident policy with memberships to stimulate membership. Since the Kansas Motor Club was organized three years ago, efforts to include free insurance have been successfully resisted. However, Mr. Brown warned the Wichita agents that it could not be averted

unless a large number of agents join the club and block the movement.

D. T. Stover, chairman of the executive committee of the Kansas Association of Insurance Agents, advised that the committee is to meet with the insurance committees of both houses of the Kansas legislature, now in session, in regard to strengthening the agents qualification law and the resident agency law, and securing other needed insurance legislation.

Field Club Honors Ford

D. R. Ford, Springfield Fire & Marine, retiring president of the Missouri Fire Underwriters Association, was presented a handsome Gladstone and portfolio and Mrs. Ford was presented a traveling case by about 80 members of the organization at its meeting in Columbia, Mo. Mr. Ford was president of the association from its organization until last year.

Miss Hinchey Injured

Miss Florence Hinchey, assistant to J. W. Rodger, manager of the Fire Underwriters Association of the St. Louis and Missouri Association of Insurance Agents, was injured recently when an automobile in which she was riding to Chicago skidded on an icy road near Springfield, Ill. Several bones in her right wrist were fractured. She has returned to her desk although the wrist is in a splint.

Asks Receivers for Agencies

Petitions asking appointment of receivers for the Union Labor Insurance Agency and Butler-Arendes Insurance Agency, St. Louis, have been filed in circuit court by the Laclede Insurance Agency Company, a creditor.

In both petitions the charge was made

that the officers neglected the business and delegated their authority to employees who were not versed in the insurance business.

Hohmann Heads Iowa City Board

F. W. Hohmann has been elected president of the Iowa City, Ia., board, succeeding Will Holland, president for two years. Walter Long is vice-president and F. J. Boyle, secretary-treasurer.

Lincoln in 4th Class

The Nebraska Inspection Bureau announces that Lincoln has been graded 4th class instead of 5th, due to the new water system. This means a reduction of 5 percent in rates.

Elevator Loss Hits Mutuals

The elevator of the Consolidated Milling Company at Winfield, Kan., burned following an explosion last week for the second time in two years, destroying 30,000 bushels of wheat and causing a loss reported at \$100,000, carried by the mutuals. The two fires in this elevator are the only severe losses that have occurred in Winfield in the past five years.

Kansas Notes

Earl Hutton of the Hutton & Son agency, Wichita, is recuperating from a major operation.

C. R. Cravens of the Cravens Agency, Salina, has been promoted to colonel in the Kansas National Guard.

E. F. Tolman of the Tolman & Browne agency, Pratt, Kan., was elected president of the Peoples Bank of that city, succeeding the late T. N. Carver. L. H. Browne of the same agency was made cashier.

STATES OF THE SOUTHWEST

Oklahoma Sends Out Protests

Secretary Keys Objects to Y. M. C. A.'s and Santa Fe's Action in Placing Risks

OKLAHOMA CITY, Jan. 25.—Secretary Mott M. Keys of the Oklahoma Association of Insurers and Associated Fire & Casualty Underwriters of Oklahoma City has been authorized to send letters to the national board of the Y. M. C. A. in New York and the New York local Y. M. C. A., protesting the action of the latter in cancelling \$6,000,000 worth of local insurance and placing same in mutual companies.

Similar protests are to be sent to A. F. Story, president Santa Fe Railroad, against that company's action in cancelling stock insurance among its employees and permitting it to be rewritten by reciprocals and mutuals. The local board also agreed actively to protest any appointments made by insurance companies in connection with building and loan and similar financial institutions.

L. B. Baker New President of the Houston Exchange

L. B. Baker of Fraser & Nie was elected president of the Insurance Exchange of Houston, Tex., at the annual meeting. The vice-president is L. A. Stevenson of Houston & Tyler; treasurer, D. L. Anderson, Anderson & Steele; executive secretary, C. A. Pickett; assistant secretary, Chattie Slayton.

The new directors are T. G. Barrow, Ben A. Calhoun, A. D. Langham, J. F. Scott, and Mrs. J. G. Worrall.

The retiring president, A. D. Langham, declared that the exchange has stabilized the business in that city. Membership stands at 48, an increase of

six since the first of 1932. The secretary's report showed that commissions of more than \$18,500 have been secured for and retained for local agents by the exchange.

No Dallas Key Rate Change

DALLAS, Jan. 25.—No change in the Dallas key rate is likely, according to R. S. Mauk, fire insurance commissioner. Dallas' 1932 losses were above the million mark and while they were less than for 12 years, they were not sufficiently low for any reduction in the key rate.

Standard Farm Policy in Effect

HOUSTON, TEX., Jan. 25.—The new Texas standard combined fire and windstorm farm policy is now in effect. One of its features is that the exact settlement must be shown on the face of the policy at the time it is written. Companies are warning agents to furnish this information to avoid delay.

Aldridge with Manning

J. H. Aldridge has joined T. A. Manning & Sons, Texas insurance managers, in charge of Fort Worth and northwest Texas. Mr. Aldridge was a local agent for several years and more recently has been a field man and adjuster with a large Texas general agency.

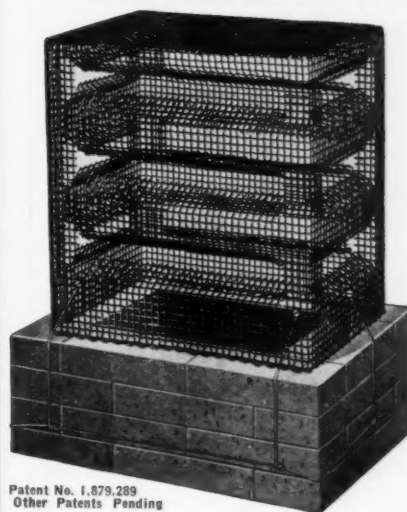
No Provision for Oklahoma Board

OKLAHOMA CITY, Jan. 25.—In the report of the Oklahoma senate's appropriations committee, no provision was made for maintenance of the state insurance board. A movement is on foot to abolish the present insurance board and establish another, composed of the state fire marshal, the insurance commissioner and a third member to be appointed by the governor, from among such officials as the bank commissioner or of similar standing. This board

An inexpensive, sure way to REDUCE FIRE LOSSES

among your assureds

Suggest
NATIONAL
CHIMNEY
SPARK
SCREENS



Patent No. 1,879,289
Other Patents Pending

Shown Above: Style of National Spark Screen made for common square or rectangular chimneys.

Also ask about National Safety Flue Stops. They eliminate the fire hazard from unused chimney openings absolutely. Very low priced.

They catch the flying sparks that endanger homes and buildings. Made for every size and style of chimney. Cannot blow off. Last for years. Very inexpensive. Give protection that may save thousands of dollars.

Write for descriptive circulars and prices.

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CRAWFORDSVILLE, INDIANA

Member N. F. P. A.

Property owners today have a greater appreciation of the economic value of insurance, and they are more critical of the financial strength of the company behind the policy.

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HEAD OFFICE: 1600 Arch Street, Philadelphia
CHICAGO: 209 West Jackson Boulevard
SAN FRANCISCO: 200 Bush Street



Back to fundamentals

OF the 100 or more Billions of Life Insurance in force, it is estimated that nearly nine-tenths is written for the PROTECTION of the family.

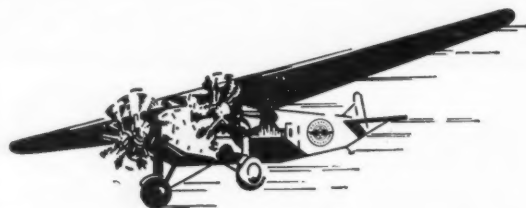
These figures show better than words that the great majority of policyholders have never lost sight of the fundamental reason for life insurance—PROTECTION.

Ponder this estimate when you are tempted to believe that your client wants novelty in his life insurance policy. What he wants more than anything else in this particular period is a feeling of safety and security.

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would regulate rates and similar matters, and the detailed working of the board, such as correspondence and the like, would be placed in the insurance commissioner's office. This movement, if adopted, would eliminate the secretary of the board and his office and concentrate board activities in the offices of the insurance commission. Commissioner Jess G. Read has recommended the change and says it is a good and economic move.

Tulsa Puddle Elects

William F. Ehret of the America Fore has been elected president of the Tulsa puddle of the Oklahoma Blue Goose. The new vice-president is Wade Wistler, Automobile of Hartford; secretary, Don L. Martin, Fire Companies Adjustment Bureau; treasurer, C. T. Thacker, Ewing & Co., and sergeant at arms, W. Lyle Dickey, American Agency Company.

Among those present at the annual meeting was T. Ray Phillips, grand guardian of the Blue Goose.

Propose New City Cover Plan

OKLAHOMA CITY, Jan. 25.—Competition in insurance on city owned property will be eliminated in Oklahoma City if a plan outlined by the Associated Fire & Casualty Underwriters for sub-

mission to the city council is adopted. The plan involves placing all city insurance through the local board, the business to be divided equitably among the recognized companies on a basis satisfactory to all. The board would collect all premiums and divert them to their proper channels.

A definite economical city insurance program would be outlined by the board members, who would guarantee to act in an advisory capacity to city officials on insurance matters. Members would also agree to make periodic inspection of all city property and also advise as to status of bonds filed with the city.

May Abolish Commissioner's Post

LITTLE ROCK, Jan. 25.—A bill has been introduced in the Arkansas senate to abolish the offices of insurance commissioner and state fire marshal. The commissioner of revenues, through four bureaus established by the act would perform all the duties now imposed by law on the commissioner of insurance and state fire marshal.

Governor Futrell has some plans for reorganization of state departments, but it is stated that this bill is not an administration proposal.

R. R. Denn of the Fire Companies Adjustment Bureau, San Antonio, is in Saltillo, Mexico, to adjust a large loss for the W. B. Woodrow & Co. general agency of Mexico City.

IN THE SOUTHERN STATES

Georgians Want Credit Rule

Ask S. E. U. A. to Adopt Plan Similar to That Used on the Pacific Coast

ATLANTA, Jan. 25.—At the mid-winter meeting of the executive committee of the Georgia Association of Insurance Agents, a resolution was adopted asking that the Southeastern Underwriters Association adopt some sort of agency credit rule similar to the one in effect in the Pacific Coast territory. This request was made, however, without prejudice to their work for an automatic cancellation clause.

After a hearing of those interested, the executive committee declared a certain company in violation of its bank agency rule and asked the company to withdraw its plant.

Sidney O. Smith of Gainesville, former president and now a member of the executive committee of the National Association of Insurance Agents, was voted an honorary life membership on the committee with full voting powers. This is the first time such an honor has been bestowed on a member.

President Scott Nixon appointed the following legislative committee: Dan I. MacIntyre, Atlanta, chairman; George White, Atlanta; S. O. Smith, Gainesville; A. R. Menard, Macon, and H. C. Arnall, Newnan.

Hold Conference at Paducah

Field men of Kentucky interested in lower loss ratio and better underwriting conditions will gather at Paducah Jan. 26, for a conference with local agents from a number of towns in the territory west of the Cumberland and Tennessee rivers. The conference will be similar to one held a few weeks ago at Ashland.

Memphis Agents Pleased

MEMPHIS, TENN., Jan. 25.—Memphis agents are very much gratified over the appointment of J. S. Tobin as Tennessee insurance commissioner. He is a gentleman of the old school. Mr. Tobin was educated as a lawyer and practiced law in Memphis for a number of years. He has traveled extensively in this country and abroad. He entered insurance about 20 years ago and made

a thorough study of it. He joined the Memphis Insurance Exchange and was a member until he sold his agency. He served on the board of directors for a number of years and was president of the exchange for two terms. He also was a director of the Memphis fire insurance patrol.

Avery Heads Memphis Club

The new officers of the Memphis Insurance Club have been installed, they being Tom Avery, president; Howard Pritchett, Wick Follin and Hyman Ziskin, vice-presidents; Barnett Hine, treasurer and Mallory Morris, secretary.

Takes Union of Paris

Prigleau Ellis of New Orleans will become Louisiana general agent for the Union of Paris, the management in this country of which lately passed into the hands of E. W. Nourse, United States manager of the London Assurance. Mr. Ellis already represents the London and Manhattan F. & M.

Haas Relected in Atlanta

ATLANTA, Jan. 25.—At the annual meeting of the Atlanta Association of Fire Insurance Agents, with 110 members present, Herman J. Haas was re-elected president, Irwin Wootten, vice-president; L. L. Austin, secretary-treasurer. Executive committee members elected are Fort Adams, P. H. Collins and C. Y. Smith, for one year, and Oscar Venable, J. A. North and M. C. Kreps, two years.

Mr. Haas was complimented on his work in behalf of the Atlanta association the past year and was presented with a coffee set by the members of the association.

C. L. Gandy, Birmingham, president National Association of Insurance Agents, was the principal speaker.

Confer on Recodification

RICHMOND, Jan. 25.—The executive and legislative committees of the Virginia Association of Insurance Agents conferred here on recommendations to the commission in charge of recodifying the state's insurance laws. It was decided to leave it to C. J. Duke, Jr., of Richmond, chairman of the executive committee, who has been active in legis-

lative matters for many years, to make whatever recommendations he might see fit.

Mississippi Mid-Year Meet

YAZOO CITY, MISS., Jan. 25.—The mid-year conference of the Mississippi Association of Insurance Agents was held here with most of the agencies of the state, as well as several from Louisiana represented. The association went on record as favoring stricter regulation of companies in this state. The address by M. Shelby Pickett, chairman state insurance commission, was one of the high lights of the session.

Eliminate Fertilizer Increase

RICHMOND, Jan. 25.—The state corporation commission has approved a request of the Virginia rating bureau for authority to eliminate an advance of 25 percent in rates on fertilizer risks. The rates were advanced 25 percent in 1926. A more favorable experience with risks of that class in the past year or so prompted the bureau to request elimination of the advance.

All Loan Companies in Insurance

BIRMINGHAM, ALA., Jan. 25.—Birmingham's last large mortgage loan company has gone into the fire insurance business. These concerns contend that they are having to foreclose so much property and take over its management that they can save time and money by handling their own insurance. Regular agents at first protested against

loan companies going into the business on the grounds they exercised unfair leverage over property owners indebted to them. Agents have finally accustomed themselves to the new order although the mortgage companies have taken over considerable volume of business.

Fight Overhead Writing

Norfolk, Va., agents who have been complaining of certain companies' writing business overhead in that territory will not have to combat the practice single-handed. At a conference in Richmond last week between W. Owen Wilson, president Virginia Association of Insurance Agents, and leading members of the association from other parts of the state, Mr. Wilson was directed to name a special committee headed by himself to cooperate with a committee of the Norfolk board in the fight being waged by members of that body to have the practice abated. He will name the committee soon.

Insure New Orleans City Hall

NEW ORLEANS, Jan. 25.—The city hall and annex here have been insured for \$600,000 against fire with a \$1,422 annual premium written through the M. J. Hartson Insurance Agency. The city hall heretofore has not been insured.

The \$260,000 of fire insurance covering the New Orleans Charity hospital, formerly carried in the *LaSalle Fire*, now in the hands of receivers, has been rewritten in the *Automobile of Hartford*.

PACIFIC COAST AND MOUNTAIN

Joint Committee Will Meet

Fire and Casualty Managers Will Confer as to Mutual Problems in California

SAN FRANCISCO, Jan. 25.—The Pacific Board has accepted the invitation of the newly formed Pacific Board of Casualty Underwriters to appoint a committee to confer with the casualty board. The Pacific Fire Board conference committee consists of A. T. Bailey, North British & Mercantile; T. H. Anderson, L. & L. & G.; E. T. Cairns, Fireman's Fund; Joy Lichtenstein, Hartford Fire; Edwin Parrish, America Fore; Clifford Conly, Great American; J. C. Dornin, Springfield.

Members of Committee

The casualty conference committee consists of H. E. McClellan, Maryland Casualty; B. G. Wills, Fireman's Fund Indemnity; W. J. Gardner, Ocean Accident; R. W. Forsyth, Indemnity of North America; E. F. Porter, United States Fidelity & Guaranty; R. H. Griffith, Glens Falls Indemnity; C. A. Teasdale, Continental Casualty.

The joint committee will go over the subject of separation in agencies. It will endeavor to formulate rules governing general agents and to protect bona fide casualty general agents. It will also try to discover common ground on which the two boards can join hands for effective enforcement of all agency and commission rules, both applying to fire and casualty.

The charter membership of the casualty board consists of 20 companies.

Good Work Done at Bozeman

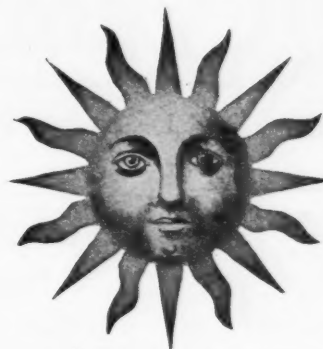
E. E. McMahon of Bozeman, Mont., president of the Montana Association of Insurance Agents, retired at the annual meeting of the Bozeman local board this month. The Bozeman board established a 45-day credit rule Nov. 1. Local surveys were made by the board for merchants and other business houses. An insurance reference library was started.

F. U. A. P. Program Complete

All Set for Annual San Francisco Gathering—D. A. McKinley of Royal Slated for President

SAN FRANCISCO, Jan. 25.—Built around the theme of "Problems to be Learned from the Depression Years," the program for the 57th annual meeting of the Fire Underwriters Association of the Pacific to be held in San Francisco Feb. 7-8, is now complete. The speakers are:

A. C. Harris, Pacific Coast manager Aero Insurance Underwriters, "Aviation Insurance Underwriting"; F. N. Belgrano, Jr., president Pacific National Fire, "Problems of a Fire Insurance Company from the Financial Aspect"; Percy H. Goodwin, chairman National Association of Insurance Agents conference committee, "The Agent and His Problems"; A. M. Brown, Edward Brown & Sons, "Problems of a General Agent"; C. W. Jones, manager marine department Swett & Crawford, "Inland Marine Side-lines"; A. G. Westcott, president Insurance Buyers Association, "The Insurance Buyer's Problem"; W. T. Barr, manager automobile department Crum & Forster, "Automobile Underwriting in Times of Depression"; H. M. Carmichael, general manager Oil Insurance Association; "Underwriting Through Associations"; Joseph Froggatt, president Joseph Froggatt & Co., New York, "The Interpretation of Insurance Companies' Statements"; B. W. Levit, insurance attorney, "The Attorney Looks at Insurance"; Walter Van Orden, manager Pacific Factory Insurance Association, "The Pacific Factory Insurance Association"; C. N. Homer, Seattle, manager Travelers, "The Problems of the Field Man"; K. W.



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Withers, general manager Fire Companies Adjustment Bureau, "Adjusting Problems in Times of Depression."

Speakers for the annual banquet Feb. 8 have not yet been announced.

D. A. McKinley, special agent Royal and Queen, with headquarters at Seattle, now vice-president, is slated for association president.

Names Regional Chairmen of California Association

W. H. Menn, president, California Association of Insurance Agents, has appointed regional chairmen as follows: District No. 1, J. N. Mount; Napa; No. 2, C. L. Price, Chico; No. 3, J. A. Kasper, Stockton; No. 4, Arthur Ahlgren, Berkeley, president of the East Bay Insurance Exchange; No. 6, F. L. Adams, Fresno; No. 7, H. G. Bobey, Los Angeles; No. 5, Lawrence Canfield, Santa Cruz.

The spring series of regional meetings got under way this week with meetings Jan. 24 at Pasadena and Jan. 25 at Santa Ana. President Menn and Frank Colridge, executive secretary of the association were the principal speakers, discussing proposed legislation. Other meetings are scheduled as follows: Jan. 30, Fresno; Jan. 31, Stockton; Feb. 1, noon, Marysville; evening, Napa; Feb. 2, Oakland; Feb. 3, Watsonville.

Commissioner Mitchell, Son, Fined in Carroll & Co. Case

Superior Judge Van Nostrand at San Francisco has held in contempt Commissioner Mitchell of California and his son, Bernon Mitchell, analyst of the California department. A fine of \$25 was imposed upon the commissioner and \$250 upon his son on the ground that they interfered with the business of E. J. Carroll & Co., brokers, in the face of a restraining injunction order.

A broker's license was refused Carroll & Co. by the department and then the brokers obtained an injunction. Thereafter the California department advised inquirers that Carroll & Co. was unlicensed, the complainants alleged.

It is expected the state officials will appeal the case. Meanwhile, the decision has caused considerable comment and concern in the San Francisco insurance district, executives pointing out that apparently it is useless for the department to endeavor to administer discipline under the present laws.

California License Bill of Commissioner Introduced

SAN FRANCISCO, Jan. 25.—A fee of \$2, to be paid by every licensed agent or solicitor in California, with a \$1 fee for each additional company represented and \$1 examination fee to be paid by applicants for license, is provided in a bill presented to the legislature on recommendation of Commissioner Mitchell. This is in place of the \$1 fee now paid by agents without regard to the number of companies represented. There is provision for an annual license fee of \$10 from brokers in place of the present \$10 original fee and \$5 annual renewal, and a license fee of \$25 for nonresident brokers and agents with the same qualification as residents, unless their qualifications are approved by the home state commissioner.

Double regular fee is provided for failure to renew licenses within 30 days after expiration and forfeiture of temporary certificate and examination fee for failure to take examination are also among provisions.

Utah Code Revision Up

SALT LAKE CITY, Jan. 25.—The legislature is considering a revision of the code and insurance is being given some attention. The insurance commit-

tee recommended that companies be required to file samples of accident and health and fire insurance policies, as has long been required for life policies.

Commissioner McQuarrie is opposed to any change in the insurance code that can not be enforced and contended that the suggested change is in that class.

Survey 33 Towns

LOS ANGELES, Jan. 25.—The annual report for District C of the Pacific Board shows that 33 southern California towns were surveyed and graded for improvements in fire protection and prevention in 1932. Of a total of 183 incorporated cities and towns in that territory, 146 are provided with fire protection and 132 are graded under the rating schedules of the National Board.

Credit Group Active

LOS ANGELES, Jan. 25.—The Insurance Credit Clearing Association here collected \$12,246.37 in earned premiums for its members in 1932. There were 18,264 cancellations, of which 61.2 percent were for non-payment of premium, 15 percent were for claims experience and the remainder because of poor credit or underwriting. Confidential information of undesirability was reported in approximately 1,200 cases.

Push Sprinkler Legislation

The coroner's jury on the MacBeth apartment house fire in San Francisco, resulting in loss of five lives and property loss approximating \$60,000, recommended the installation of automatic sprinklers and fire alarms in all hotels, apartment houses, rooming houses and other buildings of similar occupancy. As the result of this recommendation, the junior chamber of commerce fire prevention committee will actively support legislation looking toward installation of sprinklers and alarms particularly in class B and C buildings in San Francisco.

Hail Fund Suffers

The entire surplus of \$100,000 of the Montana state hail fund was used to pay losses in full in 1932, according to the annual report of E. K. Bowman, chairman of the Montana board of hail insurance.

Mr. Bowman states that the new reserve fund for 1933 will be composed of collections from 1932 hail taxes together with whatever is collected on delinquent accounts. Because of low prices, Mr. Bowman predicts that the fund will have less than half as much cash next spring as it had last year.

Mr. Bowman stated that a rate increase will be instituted on special crops such as mustard, alfalfa feed, peas and beans and that the amount of insurance allowed per acre will be reduced in some cases.

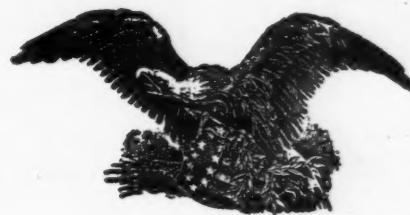
Plan Blue Goose Banquet

SAN FRANCISCO, Jan. 25.—With D. A. McKinley, most loyal grand gander, as guest of honor, the San Francisco Blue Goose will hold its annual banquet Feb. 7. H. L. Nason, America Fore, has charge of the entertainment, which will again feature short skits with the fire insurance business as the motif.

A. W. Crump, district manager American Appraisal Company, spoke at the luncheon meeting Monday on "Appraisals." Ray Swearingen, America Fore, past most loyal gander, presided.

"Cy" Drew Made President

SAN FRANCISCO, Jan. 25.—Cyrus K. Drew, editor "Western Underwriter," has been elected president of the Blue Goose Glee Club of San Francisco. George Cusick of Rolph, Landis & Ellis, most loyal gander, is elected secretary; Frank Grube, Pacific National Fire, re-elected director, and Stewart Aypott, Hartford, re-elected accompanist. Membership in the club hereafter will be open to all members of fire, casualty or



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marine fraternity and not limited to Blue Goose members as formerly. The new administration starts with a roster of 40 in preparation for annual high-jinks next month.

Colorado Meeting at La Junta

DENVER, Jan. 25.—In announcing the regional meeting of the Colorado Association of Insurance Agents which is being held at La Junta today, association officers warned the regional agents of southeastern Colorado of the perils which confront them in 1933. The list includes: reduction in commission scale, increase in number of unqualified agents, increased losses causing increased rates, free insurance, cut-rate competition, spread of so-called automobile clubs, reduction of insurance on public properties, legislation, branch offices and the creation of pools which tend to divert the average agency business to the larger centers.

State Fund Repeal Sought

DENVER, Jan. 25.—Bills have been introduced in the Colorado legislature to repeal the acts which established a state hail insurance department and a state fire loss fund for state buildings and prohibit the state or any political subdivision from insuring in fire mutuals.

Would Combine Departments

DENVER, Jan. 25.—Under the administrative code bill, urged by Governor Johnson in the interest of government efficiency and tax relief, a division of commerce would be established, of which the state auditor would be the administrative head. In this division it is proposed to combine the insurance department and several others.

Opens Denver Branch Office

A branch office of the United Adjustment & Inspection Bureau of Kansas City has been established in Denver with T. H. Burton, formerly of Oklahoma City, in charge.

Bogardus Heads Wilson Agency

J. C. Bogardus, Jr., vice-president William Wilson Company, Pasadena, Cal., has been elected president, succeeding the late W. H. Weber. Mr. Bogardus has been with the company 24 years.

Cyrus K. Drew, editor of "Western Underwriter," was chairman at the San Francisco Blue Goose luncheon Jan. 23, when A. H. O'Connor, representing the National Travel Association and commonwealth government of Australia, spoke on "A Run Around Australia."

Eastern States Activities

To Enlarge Mutuals' Powers

Connecticut Bill Sponsored by Senator Hebert of Rhode Island Allows Higher Limits

HARTFORD, Jan. 25.—Sponsored by U. S. Senator Hebert of Rhode Island, a bill will be introduced in the Connecticut assembly to permit mutual fire companies to expose themselves on any one risk in an amount "not exceeding 10 per cent of net and contingent assets." At present a mutual company may assume on any one risk only 10 per cent of its surplus.

The stock companies will oppose the change, holding it is impossible for the mutuals to compute the accurate amount of the contingent liabilities of their members because of the uncertainty of these members being able to meet such liability.

Associated Insurers Elect

Augustine Sackett of Canandaigua, N. Y., was elected president of the Asso-

ciated Insurers of Ontario, Seneca, Yates and Wayne Counties at the annual meeting in Seneca Falls.

Mrs. Minnie Snyder, Newark, was made vice-president, John Herrington, Gorham, secretary, and Gertrude Lyons, Geneva, treasurer. Arthur Birchenough, assistant manager New York State Rating Organization, Syracuse, addressed the meeting.

Bennett a Delaware Speaker

Secretary W. H. Bennett of the National Association of Insurance Agents will be one of the chief speakers at the annual meeting of the Delaware association at Wilmington, Feb. 21.

Join Rose Adjusting Staff

BALTIMORE, Jan. 25.—E. H. Carman, Jr., and H. G. Loud have joined the staff of Henry L. Rose & Co., adjusters. Mr. Carman is an engineer by profession and for more than six years he handled fire and inland marine losses for the southern department of the North America. Mr. Loud for 11 years was special agent of the Commercial Bureau in this territory.

Adopt 45-Day Credit Rule

BOSTON, Jan. 25.—The Cape Ann Board at a meeting in Gloucester formally adopted a 45-day credit rule which will be rigidly enforced. Hereafter premiums must be paid on or before the 45th day from date of issue or the policy will be cancelled. Recommendation, or suggestion, is made that policyholders put their premiums on the easy payment or instalment plan if they cannot pay in full within the 45 days.

Hartford Board Elects

HARTFORD, Jan. 25.—The Hartford Board at its annual meeting in this city last week elected these officers: President, H. V. Tuttle; vice-president, T. W. Brown; secretary-treasurer, E. S. Cowles, Jr.; executive committee, P. B. Goddard, P. C. Avery, W. H. Wiley, Jr., and Leon Harris.

Penn Blue Goose Meets

PHILADELPHIA, Jan. 25.—Six new members were initiated at the January dinner-meeting of the Penn Blue Goose. William T. Reed, president Camden Fire, and Clarence Axman, editor "Eastern Underwriter," were the speakers.

Fall River Officers Renamed

The Fall River (Mass.) Board at its annual meeting named a committee to revise the by-laws and reelected Myer Markell, president; W. J. Desautels, vice-president, and J. A. Griffiths, secretary-treasurer.

E. L. Anthony, secretary of the firm of Smith, Davis & Co., Buffalo, died last week in St. Petersburg, Fla., where he had gone for the winter as the result of recent illness.

Auto Association Meeting

NEW YORK, Jan. 25.—Directors of the National Automobile Underwriters Association will meet in this city Feb. 9-10.

Propose Auto Premium Tax

A 2 percent tax on premiums of foreign companies writing automobile insurance in Pennsylvania is proposed in a bill introduced in the legislature. Money raised through the tax would be paid over to the police pension funds of the various cities and boroughs of the state.

Would Abolish Title Law

OKLAHOMA CITY, Jan. 25.—The automobile certificate of title law would be abolished by a bill introduced in the Oklahoma legislature. The move will meet with much opposition. The certificate of title has been one of the strong protective points for insurance companies in writing automobile insurance.

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THESE professional spell-binders arouse interest and create curiosity in their audience by suggesting that something entirely new and different is about to happen. They may be right, but we're under the impression that in 1933, just as in former years, the chap who plugs along and learns all he can about his business, and who is willing to work will manage to keep the wolf a very healthy distance away from the door.

If the silver tongued orator should happen to be right, you'll find insurance needed in the new era just as much as it was needed in the old one. And obviously, all our enthusiastic friend means when he says "Be Aware, Gentlemen," is nothing more nor less than the time worn warning to keep on your toes, and always to be ready for anything.

Take The Employers' Pioneer, for example. The year 1933 finds the subject matter handled from a little different slant. But now, as always, the fundamental idea

back of The Pioneer is to help the insurance producer to produce. The means to that end is changed a bit, and we believe changed for the better. Let's not argue about it. You be the judge.

But what's in the current Pioneer? Consider the home owner. What kinds of insurance does he really need today? Should he make any changes in his fire insurance, on account of present day values? Is the need for residence theft insurance greater or less than in former years? What typical claims, settled recently by The Employers' Group, show that the home owner should be one of your best bets in 1933?

We try to give helpful answers to these and other questions in the January issue of The Employers' Pioneer. The home owner and his insurance problems are discussed in some detail. We will be glad to send you a copy. There is no obligation on your part. Just address the Publicity Department at 110 Milk Street, Boston.



The Employers' Group *The Employers' Liability Assurance Corp. Ltd. . . . The Employers' Fire Insurance Co. . . . American Employers' Insurance Co.* **110 Milk Street, Boston**

The National Underwriter

January 26, 1933

CASUALTY AND SURETY SECTION

Page Thirty-one

Union Indemnity Risks Rewritten

Many of the Agents Are Issuing New Policies for the Full Term

BROKERS SHARE BURDEN

Deputy Attorney General of Connecticut Completes Study of Louisiana Situation

Some of the agents who have taken on other companies in place of the Union Indemnity are writing policies for a full term, instead of rewriting for the unexpired term. In doing this, they are crediting the assured with the unearned premium under the Union Indemnity policy on a pro rata basis. Sometimes the brokers are not paid a commission on the new policy, thus causing them to share the burden of the loss.

The Independence Indemnity was surety on the \$100,000 bond filed by the Union Indemnity in California under the terms of section 1 of the compensation act of that state. The bond is in favor of the California insurance commissioner as trustee for the beneficiary of awards of compensation rendered by the industrial accident commission. The bond, according to the act, shall be not less than the reserve for outstanding losses on compensation on Dec. 31 of the preceding year, nor more than double the amount of that reserve, but in no case for less than \$100,000.

Deposit in Massachusetts

The Union Indemnity has securities on file in Massachusetts in the amount of \$112,000.

John E. Hannigan and William H. Taylor have been appointed receivers in Massachusetts for the Union Indemnity on petition of John Bradley of Lawrence and other creditors.

Matteson & Co. of St. Paul have been appointed general agents for the Fireman's Fund Indemnity to take the place of the Union Indemnity. The Fireman's Fund has issued binders and assumed the Union Indemnity business for the unexpired term.

J. W. Upsher of Oklahoma City has been appointed general agent of the United States Fidelity & Guaranty to take the place of the Union Indemnity.

Appointment in Rochester

The Massachusetts Bonding has appointed the Rochester Agency, Rochester, N. Y., general agent. It formerly represented the Union Indemnity.

Concluding a week's study of Louisiana laws on receiverships in connection with the appointment of receivers for the Union Indemnity, E. L. Averill, deputy attorney-general of Connecticut, left New Orleans to return to his home. Mr. Averill went to New Orleans at the request of Commissioner Dunham

(CONTINUED ON PAGE 39)

Decline of Assets Not Fatal in "Common Sense" Portfolio

"No insurance company of any sort has ever failed by reason of the shrinkage of its investments where the investment portfolio has been built along common sense lines."

This statement was made by Herman A. Behrens, president of the Continental Casualty and Continental Assurance, in the first of a series of ten lectures for agents and brokers, being conducted in Chicago by the Continental companies. An overflow crowd attended.

People, Mr. Behrens said, are not willing to admit that utter failure on their part is due to things within their control. There is always an alibi, therefore, certain external factors being blamed for the downfall. Today, he said, when an insurance company gets into financial trouble, the tremendous shrinkage in the value of its securities is emphasized.

Departs From True Standards

Where the shrinkage of security values has been responsible for financial trouble, according to Mr. Behrens, it has been because that company has not followed the old fashioned, common sense plan of sticking to sound, diversified investments along orthodox lines. Companies whose portfolios have been built along sound lines and yet are in trouble have become involved because of their insurance practices, such as excessive loss ratios, expense ratios, inadequate rates, or excessive commissions. These factors are within the control of the companies, and no matter how sound the investment portfolio the company cannot be permanently successful except with sound underwriting.

Therefore, Mr. Behrens said, in order to judge the soundness of an insurance institution, the investment portfolio should be investigated in a general way and as a preliminary step and then the bulk of the investigation should be directed at its insurance practices.

Liquidity and Diversification

The first step in building an insurance company portfolio, according to Mr. Behrens, is to give attention to liquidity and diversification so as to enable the company to perform the functions which its business demands. These functions differ according to class of insurance companies. For instance, the functions of a casualty company do not require so large a percentage of liquidity as a fire company because the potential liabilities of a casualty company are of such a nature as not to require immediate payment of large sums of money. Compensation claims are often paid over a long term and the adjudication of a liability claim is drawn out. Furthermore the casualty companies are not subject to the conflagration hazard. The theory of averages must be applied to investments, he said. Investments should be made in the best of securities of as many as possible sound industries and as to years of maturity, geographical location, etc.

A casualty company's portfolio under present conditions, he said, should consist of an amount of cash large enough for all reasonable current purposes; a certain amount of United States gov-

ernment bonds sufficient to take care of any unforeseen sudden cash payments beyond the usual current cash requirement; a secondary reserve of high grade state and municipal bonds to yield a higher rate of interest; a well diversified list of corporate bonds and to a limited extent mortgages for taking care of what may be termed the deferred liability and common stocks, "if any."

Mr. Behrens stated he did not desire to take sides in the controversy as to whether common stocks are proper investments for insurance companies.

The amortization of bonds, according to Mr. Behrens, is not primarily to overstate values, but to state the value correctly in relation to the liability which it offsets. Amortization prevents in times of speculatively high bond prices the inclusion in the statement of bonds at a market value far in excess of their value as a counter balance to liabilities. Only sound bonds and those not in default as to principal or interest can have an amortized value. The amortized basis takes into account original cost and rate of interest.

Preferred Stocks

Mr. Behrens analyzed preferred stocks. He pointed out they differ from bonds in that they have no fixed maturity date although there may be provided a fixed price at which they may be called for payment. Secondly, failure to pay dividends on preferred stocks does not require the companies to go into receivership. The dividend payments, however, usually become cumulative, through a prior lien liability. Many of these preferred and guaranteed stocks, he said, are among the soundest fixed income investments. They are sounder than many bonds. Since only the very strongest corporations have been able to market preferred stocks, the premier stocks of this character are the prior lien obligations of the strongest corporations. Mr. Behrens expressed the belief that this class of preferred and guaranteed stocks have no relation to the problem of valuation of common stocks. Guaranteed stocks should be valued so far as possible on the same basis as the sound bonds.

The fixing of a proper inherent value for common stock has been a most vexing subject, he said. The sounder companies, according to Mr. Behrens, wishing to be even more conservative than the convention formula, make a practice of setting up against convention values certain contingency reserves on the theory that the statement of an insurance company should be a safe and conservative one beyond any reasonable doubt.

Attacks Michigan Guest Act

LANSING, MICH., Jan. 25.—An attack on Michigan's "guest" liability act was launched in the state senate during the past week when Sen. W. F. Doyle of Menominee offered a bill which would remove from the statute all of the present safeguards and would bring back all manner of "friendly suits" designed to victimize insurers.

Depository Bond Study Progresses

Sub-Committee of Surety Association Finds Some States' Laws Work Hardship

CANCELLATION IS LIMITED

Requirement Carriers Stay on Risk for Year or Two Seriously Cramps Coverage

NEW YORK, Jan. 25.—Excellent work is being done by the sub-committee of the depository bond committee of the Surety Association of America named some three months ago to study states' laws with respect to cancellation of depository bonds.

It has developed that while some statutes permit the cancellation privilege, the concession is dependent upon getting the sanction of a court or of a designated public official, and hence is little more than a gesture. While some company men have been familiar with the conditions recited, not all have been so posted, and hence welcome the information.

Cancellation Right Limited

In certain states, Colorado, for example, companies granting depository bond covers are required to carry them for 12 months. Texas law fixes the period at two years, a condition that will probably make it increasingly difficult for some smaller banks there to secure the indemnity. While companies might be willing to take a chance on a bank failing within a year, when the non-cancellable bond period extends to 24 months they will be far more conservative, especially under present day conditions.

Should agents in some states experience particular difficulty in getting their companies to write depository bonds for them, the answer will be the non-cancellable features of their state laws. Greater flexibility in this respect would not only be advantageous to surety companies and field representatives, but also would benefit the banks.

Some Small Banks Suffering

While there have been no failures among larger banks of the country since Jan. 1, 96 banks, mainly small ones, have "folded up" during the last three weeks. The assumption is that while some of these banks struggled along through 1932, expecting the tide to turn, its failure to do so in any marked degree before annual statement period arrived, compelled the closing of their doors.

Limits Are Inadequate

NEW YORK, Jan. 25.—In the opinion of Commissioner R. L. Haskell of the transit commission of this city, the present limit of \$2,500/\$5,000 of automobile liability which bus operators are required to carry, is inadequate.

PERSONALS

E. G. Robinson, secretary and general manager of the National Masonic Provident of Mansfield, O., who was one of the pioneer accident and health insurance men of the central west, died at his home there last week after an illness of several weeks. His death was the fourth in a year in the official family of the company, those who preceded him being C. E. McBride, president and general counsel; C. S. Williams, treasurer, and J. J. Jones, director. Mr. Robinson, who was 77 years old last December, was a native of New York state, but went west as a young man and has been a resident of Mansfield for 45 years. He founded the National Masonic Provident in 1890 and had been the controlling figure in its affairs ever since. He had received many high honors in the Masonic order, of which he had been a member for more than 52 years.

H. P. Jackson, president of the Bankers' Indemnity, is bereaved by the death of his father at Bangor, Me.

George E. Turner, president of the First Reinsurance, spent two days last week with his father in Roachdale, Ind. Mr. Turner's father is 95 years of age and is in poor health. While west, Mr. Turner also stopped in Chicago.

J. A. Blainey, vice-president Consolidated Indemnity, is making a trip in the middle west.

Paul A. Dow, Louisville manager of the Hartford Accident, has been named chairman and president of "The Bachelors," a new club organized in Louisville. Membership will be by invitation, and marriage is equivalent to signing a resignation.

M. O. Diggs, assistant manager of the United States Fidelity & Guaranty at Louisville, is the father of a son, Matt O. Diggs, Jr.

Ira L. Morris, secretary of the Buckeye Union Casualty, underwent an operation in a Columbus hospital this week.

D. G. Luckett, who resigned a month ago as vice-president of the United States Casualty because of ill health, died at Albuquerque, N. M., at the age of 59. He had been connected with the U. S. Casualty for 35 years and was well known in the business. He joined the U. S. Casualty, after being secretary a few years to United States Senator Hill of New York. In the United States Casualty he was assistant superintendent of agencies, personal accident department, assistant secretary, secretary, general manager and vice-president and general manager. A brother, Ralph B. Luckett, is connected with the American Surety at its head office.

Travelers Conferences Held

The casualty department of the Travelers is holding three meetings in California. The first was in Sacramento, Jan. 18. The next was Jan. 24 at Fresno and another will be held at San Jose in February. All this territory is supervised by the San Francisco office. L. H. Armstrong is manager and George Thomson, assistant manager.

Salt Lake City Deal

The General Insurance Securities Corporation, a Delaware corporation with headquarters at Los Angeles, holding company for the Belt Fire, Belt Casualty, Royal Building & Loan, Washington Building & Loan and Federal Mortgage Company, is completing arrangements for taking over the Inter-mountain Title Guarantee Company of Salt Lake City. F. C. Nichols of Los

Burglary Underwriters Are Noting Heavy Cancellations

RATE ADVANCE IS BLAMED

Reaction Especially Observed in Small Towns, Many Lacking Proper Police Protection

NEW YORK, Jan. 25.—Casualty companies report the return of a considerable number of burglary policies, notably from the smaller financial institutions in communities of limited population. While in many cases no explanation is given for the requested cancellation of the coverage, it is frequently stated that because of the rates charged for the indemnity assureds will take a chance on dispensing with the protection.

As police protection is inferior in a considerable percentage of the towns from which notices of cancellation of policies are coming, underwriters are not particularly upset over the loss of such business, however they may challenge the wisdom of the course from the assureds' standpoint.

As a safety measure many of the small banks are devoting particular attention to keeping all currency and negotiable securities locked in vaults, other than the cash required for their daily operations. When claims are filed with insurance companies, however, managers note that the amount of funds stolen usually approaches, when it does not exceed, the full indemnity coverage.

Bank Connections Shown

Interlocking connections of the Lloyds Casualty, Detroit Fidelity & Surety and the Seaboard Continental Corporation with the defunct Standard Trust Bank of Cleveland are shown in the records of loans and other assets of the bank filed by the Ohio banking department in common pleas court at Cleveland.

C. Stirling Smith, president Standard Trust, was also a director of the Detroit Fidelity & Surety and Frank Cohen is connected with both institutions.

The bank had 3,500 shares of Detroit Fidelity & Surety, 62,000 shares of Seaboard Continental, and 10,000 shares of Lloyds Casualty. In addition, the Lloyds Casualty owned 862 shares of the bank; Detroit Fidelity & Surety, 250 shares, and Frank Cohen 350 shares.

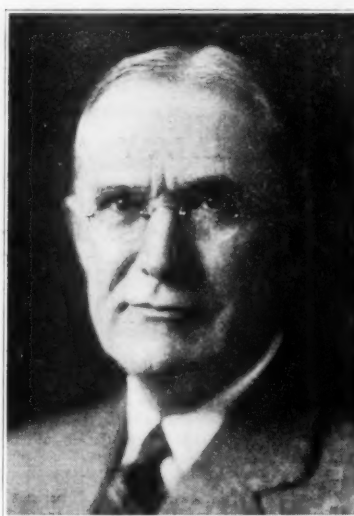
The records show that Seaboard Continental Corporation borrowed \$45,000 from the bank and gave 10,000 shares of Lloyds Casualty as collateral. Then it borrowed \$8,287 and gave 500 shares of Detroit Fidelity & Surety as collateral.

New York Glass Conditions

NEW YORK, Jan. 25.—Close cooperation is maintained between the casualty companies and the police in an effort to stamp out the smashing of plate glass windows in this city, which attained the proportions of a racket a short time ago. In advising of conditions, J. W. Marden, manager of the New York plate glass service bureau, a subsidiary of the National Bureau of Casualty & Surety Underwriters, stated that the member companies reported the destruction of 176 valuable plate glass fronts within the past 60 days. Of this number 92 were ruined by acid, while 84 others were either severely scratched or broken, resulting in a loss to the insurance carriers of several thousand dollars. Within the year the service bureau, Manager Marden reports, conducted 60,349 surveys and made 24,405 inspections of lights in the metropolitan district. In the same period the member companies sustained 23,549 losses.

Angeles is president of the securities corporation, which has capital of \$1,000,000.

Conkling, Price & Webb Fortieth Anniversary



GEORGE D. WEBB

Conkling, Price & Webb of Chicago, general agents of the London Guarantee & Accident and Fidelity & Deposit, celebrated the 40th anniversary of the founding of the firm Tuesday at the Union League Club at a luncheon. The three members of the firm, B. H. Conkling, Fred A. Price and George D. Webb built up one of the most efficient organizations in the west. Mr. Webb presided at the luncheon. Mr. Conkling retired from business a few years ago and Mr. Price is in California. Mr. Webb is one of the most prominent general agents in the country, having served as president of the National Association of Casualty & Surety Agents and the Insurance Federation. He is one of the able organization men of the country and has participated in almost all the conferences between casualty and surety companies and general agents. At the luncheon A. H. Vincent, L. W. Zonsius, Ralph Miller, L. H. Webb and W. G. Kress, all members of the firm, spoke. Others who participated in the speaking program were John C. Shepard, Merritt Laubenheimer, Attorney M. G. Kudick, D. F. Beach, Robert Webb, son of Lew H., and Carl Rogers of Critchell, Miller, Whitney & Barbour.

Final Organization of New Milwaukee Board Deferred

MILWAUKEE, Jan. 25.—The articles and bylaws of the proposed Milwaukee Board of Casualty & Surety Underwriters were submitted to a general meeting of interested agents and managers Friday afternoon. Following a two-hour discussion, the meeting was adjourned without finally completing organization. As a result of the request of the Milwaukee Surety Underwriters Association for further time to iron out certain of its own problems, it was decided to defer action for about 45 days.

Object to Restriction

"A majority of the members indicated a desire to perfect permanent organization at this time, under which over 80 per cent of the companies would be included," said F. J. Lewis, president of the temporary organization. "However, owing to provisions which would restrict members from doing business with non-members, it was felt that such hardship to the non-joining members would be unnecessarily severe, particularly if such non-members were merely delaying entry into the organization and conducting their business in conformity with the association's objectives."

"Special" Rates Condemned in Omaha Auto Rate Ruling

DISCRIMINATION FORBIDDEN

Complaint Was Made to the State Insurance Department by Omaha Agents

OMAHA, Jan. 25.—The Northwestern Casualty can no longer allow a special rate for government employes in Omaha, according to ruling by Commissioner Herdman. "Casualty companies doing business in Nebraska are forbidden to discriminate on their rates charged for automobile insurance on the same class of risks," said Mr. Herdman.

The commissioner's ruling was the result of a complaint by the Omaha Association of Insurance Agents that the Northwestern Casualty was discriminating by allowing the post office employes in Omaha reduced rates on their automobile insurance.

In giving his reasons for making this ruling the commissioner cited Section 44-101 where the Nebraska Code says: "No secret rates shall be permitted." He also quoted Section 44-201, wherein it is stated: "The department of trade and commerce shall have general control and regulation of insurance companies."

In answer to the contention of the Northwestern Casualty that an adverse ruling would be a usurpation of legislative power, the commissioner cited the case of Martin vs. Howard, in the supreme court of Florida, where it was ruled: "Authority to make rules, regulations, to carry out the expressed legislative purpose, or for complete operation and enforcement of a law within the designated limitations, is not exclusively legislative power." In the case of Hampton, Jr., & Co. vs. United States, Chief Justice Taft stated: "Congress has found it frequently necessary to use officers of the executive branch, within defined limits, to secure the exact effect intended by its acts of legislation."

Commissioner Herdman further stated: "Discrimination in the rates charged for automobile insurance is a reprehensible practice, indulged in only by a few unworthy agents, who deserve censure and punishment. It is unfair competition to honest agents and an injustice to those who pay regular rates for this insurance."

The commissioner said he would cooperate with agents who will sell to all at a lower rate but will not permit one rate for one class of individuals and another rate for those who may be engaged in some other lawful business.

Mutuals' Decision Expected Soon on 1933 Fair Exhibit

The decision of mutuals as to whether they will have an exhibit in the 1933 Chicago world's fair is expected to be made within a few days. Detailed plans for an exhibit were worked out for presentation to the various mutuals in the American Mutual Alliance preparatory to final decision whether the mutuals would back this effort.

Adjusters Must Be Lawyers

OKLAHOMA CITY, Jan. 25.—A bill passed by the lower house of the Oklahoma legislature, ostensibly to govern the practice of law, requires that a person must have a license to practice law before he can engage in "any avocation or business, or any act incidental to any vocation or business tending to enforce, secure, settle, adjust or compromise defaulted, controverted or disputed accounts, claims or demands between persons," etc.

Before the bill was passed by the house it was amended to exclude fire insurance adjusters and inspectors of the state industrial commission.

Tells of Conditions Where Waiver or Estoppel Applies

SIMS ADDRESSES CLAIM MEN

Chicago Attorney Stresses Need for Care in Cases Where Companies May Lose Right of Defense

Conditions under which companies may lose their legal rights in the defense of cases through application of the doctrine of waiver or estoppel were outlined by W. H. Sims of the Chicago law firm of Kirkland, Fleming, Green & Martin in his address at the January meeting of the Chicago Claim Association.

Mr. Sims said the attitude of the courts on this point is based on the theory of strict construction of the contract against the insurer, which prepared the contract, and a liberal construction as to the insured. In a general way, if the company knows of some misrepresentation or other circumstance which would justify the canceling of the policy and does not take any action along that line, or retains the premium, with knowledge of the existence of violation of the policy provisions, it waives its right and is estopped from raising the question.

Agent Can Waive Provisions

It is quite generally established that notice to the agent is notice to the company and that the agent has authority to waive such provisions as the filing of proof of loss, irregularity in the proof of loss, misrepresentation in the application or forfeiture for nonpayment of premium. The only case where this is not true is where collusion can be shown between the agent and the insured. Where it is to the agent's interest to conceal material information, in that case it is not regarded as being the knowledge of the insurer. The question has also been raised as to whether rebating, which voids the policy in some states, alters the agent-company relation, but none of the cases involving this point has ever come to a decision in the higher courts.

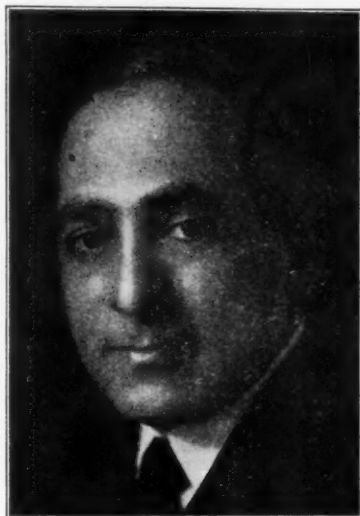
Information in First Application

In one interesting case involving the alleged failure to give certain information in the application, the insured had three policies in the same company. It was shown that the information in question was given in the first application, although not in the later ones, and the court held that the company therefore had knowledge of it.

Even where the policy itself says that it shall cease to be in effect if the premium is not paid within a specified time, the courts have held that it is not ipso facto void; that the company might give the insured further time, and if it continues to call for payment, it has waived its right under that provision. If the policy stipulates that there can be no waiver of its provisions unless attached in writing, it has been held that a person authorized to waive any such provision can also waive the attachment in writing. Filing of proof of loss may be waived through the agent's conduct, without express words.

Departing somewhat from his regular topic, Mr. Sims suggested that those investigating claims often make a mistake by failing to go to members of the family for information. They naturally assume that all of the family would be favorable to the claimant or beneficiary, but he said that in many cases there will be some relative who will take the opposite side and give valuable information to the claim man. He described an interesting personal experience along that line. He also emphasized the importance of securing signed statements from witnesses. He told of cases where investigators had reported conversations with witnesses which led to the belief that their testimony would be wholly favor-

Makes Analysis



HERMAN A. BEHRENS

President H. A. Behrens of the Continental Casualty and Continental Assurance in opening the ten weeks' lecture course given by the two companies in the Chicago Board auditorium Tuesday afternoon told how to dissect and analyze the financial statement of a casualty company. Mr. Behrens had an actuarial training in his early days so that he can speak with authority when it comes to company technique.

Standard Accident Advances A. J. Crockett, R. H. Platts

A. J. Crockett and R. H. Platts, both of whom have been assistant secretaries, were elected vice-presidents of the Standard Accident at the annual stockholders' meeting.

Mr. Crockett started in the personnel department of the Standard Accident, being advanced later to the position of office manager, and more recently being in charge of the branch offices.

Mr. Platts was first superintendent of the compensation and liability departments of the Standard Accident for several years and then was placed in charge of underwriting and general agents.

able to the company, and said the same witnesses had then gone on the stand and given testimony of a directly opposite character.

The February meeting of the claim association will probably take the form of a visit to Cook County Hospital in accordance with the invitation extended by Dr. A. H. Conley, when he addressed the December meeting.

Seeks Greater City Liquidation

The Greater City Surety & Indemnity of New York claims that its capital is impaired only \$22,427 on convention values—this statement being made in answer to the petition of Superintendent Van Schaick of New York asking that the company show cause why it should not be liquidated. The Greater City is a bail bond company. In its answer, it contended that any alleged violations of the New York law were committed by persons no longer with the company.

The Greater City contends its liabilities should be reduced \$25,000 and assets increased \$65,000, which would make its impairment \$22,427, instead of \$111,425, as claimed by the department.

The answer declares that after the impairment was revealed the company offered to contribute \$150,000 to its funds but the department insisted \$250,000 be paid in.

Compensation Acquisition Cost Part of Whole Issue

NOT TO BE STUDIED APART

Question Is Referred Back to Chief Executives—Leaders Feel Crisis Is at Hand

NEW YORK, Jan. 25.—Concluding that acquisition cost in compensation is so interwoven with other phases of management that it could not be considered separate and apart, the subcommittee of the casualty acquisition cost committee at its most recent gathering, decided to refer the question to the chief executives to be taken up in conjunction with all the related issues.

Faced With Big Problem

The leading officials are now faced squarely with the question as to whether they care to continue writing the compensation line or to allow it to be taken over by the states, with the strong probability that such procedure would prove the forerunner for the passing of other divisions of underwriting, or if they elect, as they unquestionably will, still to write compensation, are they to be content to do so as for years past, at a heavy loss? While all managers agree that radical reforms must be made, none thus far has expressed a willingness to take an independent stand.

To be effective, whatever changes in the basis operations are agreed upon, must have united support. A crisis has developed, leaders feel.

S. L. Orwall Joins United

S. L. Orwall, well known general agent in the commercial health and accident field, has joined the United of Chicago as division manager with headquarters at the home office. He is to represent the company in its accident, health and ordinary life departments.

Mr. Orwall was formerly general agent in Chicago for the Mutual Benefit Health & Accident and United Benefit Life of Omaha. He sold his agency in September, 1931 and agreed to remain out of the accident and health business for 15 months. In the meantime he has been specializing in automobile and fire insurance but now, at the expiration of his agreement, he is getting back into the accident and health line as he believes it affords the biggest opportunity in the insurance business today.

The United has prepared a new line of policies for Mr. Orwall providing many new features.

Gibraltar Makes Promotions

DENVER, Jan. 25.—The Gibraltar Life & Accident and the State Reserve Mutual, affiliated with the Colorado Life, have announced a number of promotions. L. E. Warren, former Denver agent, has been made Oklahoma manager with Muskogee headquarters. He formerly was associated with Rex Bixby, general manager, as representative of the Aetna Life in Arkansas. R. A. Craig has been made district manager at El Reno, Okla., and C. W. Beale, former Arkansas manager, has been promoted to manager for Arkansas and Missouri with Little Rock headquarters.

Confer on Burglary Rates

ST. PAUL, Jan. 25.—Representatives of insurance companies held a conference here this week with a committee of the Minnesota Bankers Association relative to the increased rates on burglary insurance.

Minnesota bankers feel that the increased rates are higher than the conditions warrant. No agreement was reached at the conference and it is likely further conferences will be held.

Hansen Takes the Prize as Life Line Welder

One of the most interesting features of the casualty business in the last two years has been the activity of Carl M. Hansen in absorbing companies throughout the country. The International Reinsurance, of which Mr. Hansen is the president, is a veritable melting pot of casualty enterprises. In the last two years the International Reinsurance has been the resting place of 15 casualty companies. Probably most of these companies would have gone into receivership if Mr. Hansen had not taken them over.

The New York "Journal of Commerce" states that the 15 companies that have been taken over had an annual premium income of about \$20,000,000 and that their combined capital and surplus of about \$15,000,000 had been wiped out at the time they were taken over.

The companies which have been reinsured in the International Reinsurance or were reinsured in one of the companies taken over are the Public Indemnity (except bail bond business), Independence Indemnity, Commonwealth Casualty of Philadelphia, American Mine Owners Casualty of Huntington, W. Va., American Guaranty of Columbus, O.; Underwriters Casualty of Milwaukee, Connecticut Plate Glass of Torrington, Atlas Casualty of Fort Wayne, Ind.; Georgia Casualty, General Indemnity, General Casualty & Surety, Republic Casualty & Surety, Hudson Casualty, Union Casualty & Surety of Los Angeles, and Liberty Surety Bond of Trenton, N. J.

Verdict Given for Company in a Personal Holdup Case

The Mississippi supreme court decides a personal holdup case in Perry vs. National Surety. The assured claims he lost a diamond stud amounting to \$500. He was attending a football game and after the game the Mississippi rooters rushed on the south goal post to take it. After the scuffle, the assured noticed that his tie had been displaced and the diamond stud gone. The court says that the assured received no bodily injury and it is very doubtful whether the evidence was sufficient to show theft. Where property is snatched as quickly as was done in this case as to allow no time for resistance, it is not robbery under the terms of the policy, the court holds. The verdict was directed for the company.

Physicians Protective Changes

C. M. Redmond, formerly agency supervisor at the home office of the Physicians Protective Casualty of Indianapolis, has been appointed state manager for Ohio. E. A. Mayfield, former Ohio manager, has been appointed chief traveling claim auditor. R. A. Ketchum, who has been with the Business Men's Assurance for many years, has joined the company as superintendent of claims at the home office. The Physicians Protective is conducting an extensive expansion program. Its premium income has now passed the \$100,000 mark and its officials are expecting a much larger volume this year, with the addition of several new agencies.

Nebraska Assurance Organized

LINCOLN, NEB., Jan. 25.—The Nebraska Assurance is being organized here as a life affiliate of the National Accident, which plans to use its present agency force in connection with field work for the life company. Secretary L. L. Waters reports the National Accident had one of the best years in business. It had \$303,511 income in 1932, an increase of 46 percent; assets increased 4.5 percent to \$214,306. Lapses were heavier, largely among farmers, while claims paid increased slightly.

CHANGES IN CASUALTY FIELD

To Open Minneapolis Office

W. K. Wittkoff Named Resident Manager for Employers Group, Covering Minnesota and Part of Wisconsin

MINNEAPOLIS, Jan. 25.—A service office of the Employers' group will be opened at 210 Builders Exchange, Feb. 1, with jurisdiction over Minnesota and northwestern Wisconsin. W. K. Wittkoff, who has been Wisconsin and Michigan special agent for the Norwich Union Indemnity, has been appointed resident manager. Col. P. C. Lewis is here from Boston to get the new office under way.

Harold D. Lucey, who has been with the Employers Liability for the past five years, has been transferred from Detroit to Minneapolis and will devote his time to casualty and bond production. He was previously in New Orleans and Boston, and took the casualty course at the United States head office following his graduation from Boston University.

H. J. Mac Fetridge, who has been an

adjuster for the Employers Liability in Minneapolis for the past three years, and C. H. Erickson, adjuster in St. Paul, are now assigned to the Minneapolis office.

Hoag Is Named Official of Continental Casualty

Norman Hoag, who since 1930 had been executive vice-president in charge of the eastern department of the Union Indemnity, has joined the Continental Casualty and Continental Assurance of Chicago. He will be elected a vice-president of the Continental Casualty. He will devote some attention at first to eastern territory, but later will become a member of the head office staff.

Before 1930, Mr. Hoag had been vice-president in charge of the casualty business in New York for the Union Indemnity. He has had 22 years experience in the casualty business, starting with the New Amsterdam Casualty in 1910. In 1916 he joined the Lumber Mutual Casualty of New York and then after

service in the navy, joined the Union Indemnity in 1920. He served successively as assistant secretary, assistant vice-president, vice-president and executive vice-president.

Hall Opens an Agency

R. Douglas Hall, well known Nashville insurance man has been appointed general agent for Nashville and adjoining territory by the Century Indemnity of Hartford. He has been actively identified with the Maryland Casualty for the past six years, previous to which he was a member of the advertising staff of the Nashville "Banner." General offices were opened at 416 Stahlman building. Mr. Hall will also write a general line of insurance.

Beck Gets Great American

DENVER, Jan. 25.—The Allen Beck General Agency has been appointed general agent of the Great American Indemnity for Colorado and Wyoming. H. E. Hill, Chicago, western department manager, came here last week to complete the arrangement.

Rinehart Temporarily in Charge

Pending the selection of a permanent appointee, T. W. Rinehart from the

head office of the New Amsterdam Casualty is in Chicago, supervising the bonding business of the United States Casualty. He is temporarily filling the vacancy created through the resignation of H. M. Frost, who left to join the head office staff of the Excess of New York.

Takes Standard Surety

The Walsh-Herberg-Larson Company of Minneapolis has been appointed general agent for the Standard Surety & Casualty. That office has a large sub-agency plant from which it derives a substantial volume of casualty and surety business. The firm is well and favorably known in Minnesota.

E. J. McLeod Vice-President

E. J. McLeod has been given the title of vice-president by the New Amsterdam Casualty. Mr. McLeod has been connected with that company for a long time, in recent years having been general superintendent of the casualty underwriting department.

Murphy Heads Central Office

KANSAS CITY, MO., Jan. 25.—The Central Insurance Office, general agency here for the Independence Indemnity Underwriters, is now in charge of F. E. Murphy, formerly with the Ocean Accident and Columbia Casualty. The agency covers western Missouri and Kansas. Mr. Murphy succeeds H. F. Davis.

W. L. Craig, formerly adjuster of casualty claims at the Minneapolis office of the Western Adjustment, has been appointed staff adjuster for the State Farm Mutual in Minnesota.

Workmen's Compensation

Oklahoma State Fund Bill

Difficulty in Obtaining Coverage on Some Hazardous Risks Results in Competitive Measure

OKLAHOMA CITY, Jan. 25.—Creation of state operated workmen's compensation insurance is provided in a bill introduced in the state legislature, and said to have been worked out with the aid of Thomas Doyle, chairman state industrial committee. It would establish a state fund to compete fairly with the companies, financed by a \$50,000 appropriation to be repaid from 10 percent of the first state-earned premiums. It would require municipal corporations to carry compensation in the fund except when the administration board of five members refused to take the risk. The bill is said not to be directed at private business, but intended to provide insurance to risks unable to get this protection from private companies.

A senate committee has eliminated the appropriation for the next year. The bill would place rate making power in the hands of the board.

The justification for the bill is claimed to be the difficulty of getting coverage for certain risks, notably coal, lead, and zinc mines, where experience has been very bad, certain oil field risks and trucking concerns. Agents are not greatly concerned over the bill as they feel it will be possible to write the great bulk of the insurable risks with the private carriers.

A prerequisite to admission to the state fund would be a certificate of safety from the proper state supervising agency, and failure to obtain this would compel closing the mine or place of business. If standards are made more rigid it is considered possible that experience might be developed which will warrant private carriers in again seeking at least a part of this business.

It is understood that there has been little trouble in getting together on the

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necessity for creating a short statute of limitations on the reopening of claims, which has been one of the most important factors in the situation.

Analysis of "Assigned Risks"

Those Rejected in Minnesota and Arbitrarily Placed by Bureau Show Average Loss Ratio 85.6 Percent

ST. PAUL, Jan. 25.—An interesting analysis of "assigned risks"—compensation business which the companies rejected and which under the law the bureau arbitrarily assigned to different companies—has just been issued by the Minnesota Compensation Rating Bureau. It covers the period from July 1, 1929, to Dec. 31, 1932, and includes 162 assignments made to some 40 companies. The loss ratio for all assignments averaged 85.6 per cent for the entire period. The experience of each company with each assigned risk is given in detail. Among the companies showing the heaviest loss ratio were the American Employers, 2185.1 percent; Employers Mutual Liability, 230.5; Globe Indemnity, 186.9, and American Mutual Liability, 173.7 percent. Companies which showed no loss ratio included the Liberty Mutual, Ocean Accident, Indemnity of North America, Continental Casualty and London Guarantee & Accident.

Local agents are finding it extremely difficult to place much of the compensation business offered them and are wondering if a study of this report will change the attitude of the companies toward Minnesota risks.

Employers File Brief

TOPEKA, KAN., Jan. 25.—Kansas employers, following a hearing on the application of the companies for an increase in compensation rates, filed a brief of objections. The commissioner has allowed the companies time to file a reply before he takes the matter of increases under advisement.

Michigan Changes Sought

LANSING, MICH., Jan. 25.—In his inaugural message Gov. William A. Comstock advocated inclusion of occupational diseases in Michigan's workmen's compensation act.

As a part of an extensive program advocated by a commission for inquiry into state governmental expenses, a bill has been introduced in the house to set up the old industrial accident board of three members which would be completely divorced from the labor department. The accident board members would be required to be attorneys at law and would be appointed directly by the governor.

Record Payments in Texas

AUSTIN, TEX., Jan. 25.—Compensation carriers paid \$9,267,858 under awards made by the Texas industrial accident board in the biennium ending Aug. 31, 1932, according to the report of the board. Payments for the first year of the period were \$4,703,258 and for the second year \$4,564,600. This was the largest amount paid out since enactment of the Texas compensation law in 1913.

In addition \$3,350,083 was paid for hospital, medical and drugs.

Virginia Increase Sought

RICHMOND, Jan. 25.—Companies writing workmen's compensation insurance in Virginia have asked the state corporation commission that existing rates be increased 7.2 percent, effective March 1, to cover the increased cost computed on a basis of latest available experience, adjusted to present existing conditions. There are ten classes in which there is no change and eight in which decreases are indicated. The companies are also asking certain increases

in rates for stevedoring, shipwright work and allied classes involving coverage under the federal longshoremen's and harbor workers compensation act. Hearing is set for Feb. 7.

Change in California Commission

SAN FRANCISCO, Jan. 25.—Timothy Reardon has resigned as head of the California department of labor and has been appointed a member of the industrial accident commission. He is expected to succeed Will J. French as chairman of that body.

North Dakota Shows Loss

BISMARCK, N. D., Jan. 25.—The North Dakota workmen's compensation fund experienced an \$18,555 underwriting loss and a total loss of \$80,000 in its 1932 operations. Premiums totaled \$474,609 and payments totaled \$493,164, while administration expenses were \$62,000. Commissioner R. E. Wenzel estimates the bureau's operating loss at \$11,000 per month during the economic depression, the 1932 average being less because of the 7 percent increase in rates last July.

The New Amsterdam Casualty has declared a dividend of 75 cents a share payable Feb. 1 to stockholders of record Jan. 25.

F. & D. Adopts Dec. 31 Values

Reduces Surplus \$2,642,632 from What It Would Be Under Convention Valuations

The Fidelity & Deposit reported net premiums of \$10,253,824 for 1932, as compared with \$11,380,857 in 1931, a decline of 9.9 percent. Improvement in the last half of the year was demonstrated by the fact that the decline then was less than 5 percent, as against 13.7 percent the first six months. Income from investments was \$867,858 as against \$1,031,469. After operating chargeoffs, there was loss of \$268,262 as compared with a net balance of \$129,692 in 1931.

Uses Actual Market Values

In valuing its securities the company used actual market values Dec. 31, 1932, instead of convention values. To accomplish this, it had to charge off from its surplus the difference between market values at the end of 1932 and convention values, as its surplus at the be-

ginning of 1932 was based on convention figures.

The surplus at the beginning of last year stood at \$3,203,630 and to this was added \$3,600,000 withdrawn from capital by reduction of the par value from \$50 to \$20 a share. From this total surplus of \$6,803,630 it charged off \$1,476,039, representing the loss on securities carried at convention values actually sold during the year, and also charged \$2,607,328 representing the difference between convention values on all securities and actual market values on last December 31.

Effect of Charge-offs

These two charge-offs reduced surplus from \$6,803,630 to \$2,720,262. The company then wrote off \$268,262 as its operating loss for the year and \$359,946 paid in dividends, lowering its surplus at the end of 1932 to \$2,092,054. If its securities had been computed at convention values, as was permissible, the surplus would have been \$4,734,686 instead of \$2,092,054, or \$2,642,632 more than was claimed.

It was announced that the company

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SPECIALISTS IN AUTOMOBILE INSURANCE

would pay no dividend for the last quarter of 1932 and that consideration of further payment would be deferred until after the first quarter of this year.

The F. & D. realized a saving of \$596,445 in 1932 as a result of lower commissions, taxes on premiums and insurance department fees, and in the last three years curtailed expenses through this means to the extent of \$1,102,809.

Foreign Credit Reciprocal Suspends Loss Payments

The American Manufacturers Foreign Credit Insurance Exchange, a reciprocal of Chicago, affiliated with the Illinois Manufacturers Association, has decided to suspend payment of losses on present outstanding insurance. The board of trustees voted that no further disbursements for losses be made from the funds of the exchange. However, it was decided not to levy an assessment now. The assessment of the exchange is limited to once again the earned premium during any fiscal year.

This reciprocal has been furnishing insurance to American exporters indemnifying against insolvency of the importer or where the account is proven uncollectible at law.

In addition, the exchange maintains

extensive credit files. This service will be maintained.

Another insurance enterprise of the Illinois Manufacturers Association is the Illinois Manufacturers Mutual Casualty.

Assets of \$34,652,485 Shown By the Fidelity & Casualty

NEW YORK, Jan. 25.—The Fidelity & Casualty of the America Fore group has issued its annual report showing assets of \$34,652,485, capital \$2,200,000, net surplus of \$1,561,266, and a contingency reserve of \$5,000,000. The premium reserve amounts to \$10,883,554, claim reserve \$13,356,449, tax and expense reserve, \$1,425,695. Total assets of all the America Fore companies are \$227,218,644.

Guardian Casualty in Deal With Employers Reinsurance

The Guardian Casualty of Buffalo re-insured its portfolio as of Aug. 31, 1932, 100 percent, except for fidelity and surety business, in the Employers Reinsurance and since then has been reinsuring all new business 100 percent in the Employers. The Guardian Casualty has

not written any fidelity and surety business since April, 1932. The Guardian Casualty some time ago discontinued writing new business in New York City and has withdrawn from New England.

The Guardian Casualty is affiliated with the Merchants Mutual Casualty of Buffalo, O. B. Augspurger being president of both.

Reinsurance of the entire outstanding liability of the Guardian Casualty does not mean retirement of company from business, its management planning to secure additional funds and continuing operations.

California Commissioner Sends Aide to New Orleans

SAN FRANCISCO, Jan. 25.—Because he received advices that California claimants of the Union Indemnity must look to California assets for payment, Commissioner Mitchell Jan. 24 appointed J. L. Maritzen special deputy to go to New Orleans to effect some agreement with Louisiana receiver. The commissioner declares that California assets are very limited. The Union was bonded in compliance with provisions of the California compensation act in the amount of \$100,000 with the International Reinsurance to take care of com-

pensation claims. In addition there is a \$50,000 bond with the same company as a retaliation for Louisiana's laws. Mr. Maritzen left Tuesday for New Orleans.

Regular Dividend Paid by International Reinsurance

In addition to declaring the regular quarterly dividend of 50 cents a share, directors of the International Reinsurance approved the reinsurance of the Public Indemnity recently consummated and elected James Morrison vice-president in charge of the Independence Indemnity Underwriters of the International Reinsurance at the New York City branch office.

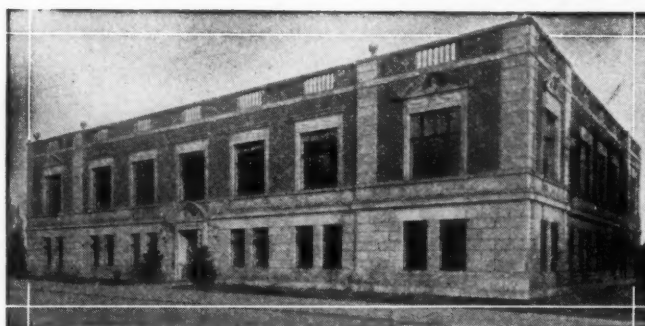
Figures Are Satisfactory

Preliminary figures of the International for 1932, the management states, are "quite satisfactory in spite of the abnormal conditions that have obtained in the entire casualty and surety business for the past 12 months; the most marked improvement being that the gross admitted assets of the company increased from \$12,500,000 to over \$27,000,000 at the close of 1932." The investment earnings of the International on an annual basis "aggregate more than three

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HOME OFFICE BUILDING :: HAMILTON, OHIO

Surplus to Policyholders

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FIDELITY AND SURETY BONDS — AUTOMOBILE ACCIDENT**

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**COMPLETE
AUTOMOBILE PROTECTION
FIRE--WINDSTORM
FIDELITY & SURETY BONDS**

times the requirement for the present dividend rate."

Increases Are Reported in Bankers Indemnity Exhibit

The annual report of the Bankers Indemnity states that the company increased its assets, capital, surplus, reserves, premiums and reduced its losses and expenses during the year.

Assets amount to \$5,718,414, increase \$652,000; premium reserve \$1,773,086, increase \$174,000; claim reserve \$1,675,706, increase \$188,000; contingent reserve \$131,237, increase \$75,000; capital \$1,100,000, increase \$100,000; net surplus \$700,000, increase \$140,000.

Premiums increased \$319,000; collections increased \$159,000; losses paid decreased \$319,000, expenses paid decreased \$42,000. The loss ratio decreased 5.96 percent and the expense ratio decreased 5.43 percent.

The Bankers Indemnity is a member of the American of Newark group and is headed by H. P. Jackson.

American Surety Promotions

R. B. Hamilton, who has been connected with the American Surety since 1909, and has held a number of positions, has been chosen vice-president. He was also elected to a similar position with the New York Casualty.

William MacInnes, manager of the automobile department, and E. P. Apgar, manager of the compensation department of the New York Casualty, have been made assistant secretaries of the company.

Mr. Hamilton is manager of the court, probate, license and miscellaneous departments of the American Surety and New York Casualty. He is a member of the underwriting committee.

Mr. MacInnes is manager of the automobile department, and Mr. Apgar manager of the compensation and liability department of the New York Casualty.

To Vote on Dissolution

NEWARK, Jan. 25.—A meeting of the stockholders of the Public Indemnity will be held Feb. 17 to act on a resolution adopted by the directors declaring it "advisable and most for the benefit of the Public Indemnity Company that the same shall be dissolved."

Lincoln Company Changes Name

The American Indemnity Life of Lincoln, Neb., writing life, health and accident, has changed its name to the Guardian National. O. A. Andrews, for years general agent for the Pacific Mutual, is president and active head.

New Century Casualty

H. C. Hintzpeter, manager Mutual Life of New York in Chicago, was elected a director of the New Century Casualty of Chicago at the annual meeting, succeeding L. A. Kraft, who took another connection. President Albert Kahn reported the company had a satisfactory year.

Postpone Benjamin Franklin Case

LOS ANGELES, Jan. 25.—The hearing on the petition of the Benjamin Franklin Bond & Indemnity for an order restraining the state insurance commissioner and the superior court from interfering with its business has been advanced to Jan. 30.

Kansas Bankers Surety—Assets, \$623,268; unearned prem., \$47,488; loss reserve, \$69,500; capital, \$318,250; net surplus, \$176,935; inc. in surplus, \$5,391. Experience:

	Premiums	Losses
Fidelity	\$ 20,214	\$ 51,156
Surety	24,762	51,496

Builders & Mfrs. Mut. Cas.—Market values Dec. 31, 1932, used. Assets, \$831,028; dec. in assets, \$154,487; unearned prem., \$170,574; loss reserve, \$7,079; liab.

res., \$116,613; comp. res., \$215,691; net surplus, \$351,353; inc. in surplus, \$2,257. Experience:

	Premiums	Losses
Accident	\$ 905	\$ 487
Auto liability	113,392	6,577
Other liability	58,110	9,588
Workmen's comp. ..	412,567	351,859
Plate glass	235	22
Auto prop. damage ..	45,589	6,685
Auto collision	9,413	7,203
Other P. D. and Coll.	4,034	1,320
Auto fire and theft ..	17,752	6,384

Total\$ 661,997 \$ 390,125

* * *

Columbus Mutual Life—Assets, \$22,154,845; inc. in assets, \$1,150,563; unearned prem., \$107,197; loss reserve,

\$27,045; capital, \$500,000; net surplus, \$1,345,823; inc. in surplus, \$50,654; security fluct. res., \$150,000. Experience:

	Premiums	Losses
Accident and health ..	\$ 229,818	\$ 133,010

Union National—Assets, \$15,504; inc. in assets, \$5,300; unearned prem., \$2,835; loss reserve, \$757; inc. in surplus, \$1,301. Experience:

	Premiums	Losses
Accident and health ..	\$ 13,012	\$ 2,710

Detroit Auto. Inter-Ins. Exch.—Cash assets, \$4,338,658; unearned prem. res., \$1,124,322; cash surplus, \$2,384,122; cash income from policyholders, \$2,248,644; net losses paid, \$1,115,445; total cash income,

\$2,412,853; total disbursement, \$2,585,212; security fluctuation reserve, \$227,081. Experience:

	Premiums	Losses
Auto fire	\$ 70,676	\$ 33,085
Auto theft	218,618	99,455
Auto liability	1,107,570	551,702
Auto prop. damage ..	426,716	135,289
Auto collision	425,164	295,914

Auto total\$2,248,644 \$1,115,445

The **Casualty Underwriters**, Republic Bank building, Dallas, Tex., has been licensed to write workmen's compensation in Texas. The Underwriters Agency is attorney-in-fact and manager, of which J. E. Earnest is president, J. J. Watson, vice-president-general manager, and R. A. Kennedy, secretary-treasurer.



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on
Automobile
Plate Glass
Burglary
Public
Liability
Compensation
Accident and Health
Insurance
and
Fidelity and Surety
Bonds

Capital
\$1,000,000

Surplus
to
Policyholders
\$1,831,836

Assets
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company is one
with the desire to
cooperate com-
pletely and finan-
cial ability to do
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AND INSURANCE
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Sunderlin's new book, "AUTOMOBILE INSURANCE" is a valuable brief on practically every question arising in the law of automobile insurance. Bound in limp leather. Single copy \$18. Order from The National Underwriter.

Fidelity-Surety Activities

Upholds Wayne Surety Right

**President Smith Declares the Company
Has Full Authority to Guarantee
State Funds**

DETROIT, Jan. 25.—Charges that the Wayne Surety, subsidiary of the Central West Casualty, has written bonds in excess of the amount allowed by federal statute were denied by Hal H. Smith, president of both companies. Mr. Smith replied to a statement by State Treasurer Fry, who said that a company could not write on a single risk more than 10 percent of its capital and surplus.

He referred to the depository bonds written by the Wayne Surety covering nearly \$11,000,000 of state funds on deposit in Detroit banks. The state has \$5,625,000 deposited in the Guardian National Bank of Commerce and \$5,300,000 in the First National Bank.

President Smith declared the Wayne Surety was organized and wrote depository bonds in Detroit banks guaranteeing state funds because other surety companies declined to accept any more. He contradicted Mr. Fry's statement that under the federal order a company cannot write more than 10 percent of its combined capital and surplus on depository bonds. Mr. Smith called attention to the fact that this applies only to contract bonds. In order to take care of depository bonds Mr. Smith said the Wayne Surety gave up writing government contract work.

Will Release Detroit Bonds

**Wayne County Funds in Banks There
Will Be Returned, Redeposited
Under New Law**

DETROIT, Jan. 25.—The Wayne county board of auditors and attorneys for Detroit banks in which county funds are deposited, meeting with a committee of the Surety Association of Michigan, agreed that county funds now on deposit in local banks will be returned to the county immediately and formal releases of depository bonds covering these funds will be given the surety companies on the risks, after which the funds will be redeposited. This move was made necessary by the fact that the Michigan legislature at the recent special session passed an emergency measure allowing all funds except state funds to be deposited in banks without the protection of depository bonds until July 1, 1933.

Wayne county funds have been deposited in local banks under a two-year contract expiring Jan. 1, 1933. It has generally been supposed that depository bonds covering these funds would automatically be cancelled with the expiration of this contract. Counsel for the companies, however, cited the case of the Fidelity Bank & Trust Company of this city, which was selected to carry part of the Detroit city funds, protected by a depository bond for \$100,000 in American Surety. The deposit was withdrawn, the bond cancelled and the money was redeposited without protection, but when the bank failed later the city filed suit against the American Surety, alleging that the depository bond still covered these funds.

The surety association was represented at the conference by K. O. Saunders, Maryland Casualty, president; T. E. Griffin, National Surety, and S. T. Mason, insurance attorney.

Now Bonding Michigan Treasurers

LANSING, MICH., Jan. 25.—The big casualty companies are now accepting

YOU will progress with the Buckeye Union

The buying public grows more careful each day. "What is the record of the company?" you will be asked upon delivering the policy.

If you have a company that enjoys a high rating, pays claims promptly, can point to 1932 with an underwriting profit and growth, you can meet the test.

The Buckeye Union is such a company. Its representatives meet the questions of a discriminating public with facts that tell their own indisputable story.

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this year.*

It doesn't pay to take chances on automobile insurance. The test comes when a claim arises. Then it is reassuring to know the policy is with the Belt Casualty, a stock company, that pays just claims promptly.

Automobile insurance in the Belt Casualty relieves both agent and policyholder of worry—a sales point these days.

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Home Office

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CHICAGO

bond business from the treasurers of various Michigan governmental units without remonstrance, according to officials of some of the Michigan carriers.

As an instance, three possible \$300,000 bonds were available to Miss Lois Chase, newly elected Lansing city treasurer, when she finally qualified for office during the past week after having been unable to qualify for more than a week after her term was supposed to have started, due to the lack of the necessary bond. The Michigan Surety of Lansing and Fidelity & Deposit divided the business under the contract approved by the city council, the former carrier taking \$10,000 and the latter the remainder.

Bond Gasoline Stations

RICHMOND, VA., Jan. 25.—T. M. Frazier, Virginia state motor vehicle commissioner, is requiring proprietors of gasoline stations to give bond of \$1,000 each for proper performance of duty in adjusting motor cars in conjunction with a statewide accident campaign, and the state corporation commission has approved a rate of \$7.50, fully earned, for the writing of the bonds. According to Commissioner Frazier, the National Surety has agreed to write the bonds at that rate for a period of one year.

Deposit Guaranty Proposed

MADISON, WIS., Jan. 25.—A state bank deposit insurance fund for voluntary insurance by depositors of their bank deposits, is proposed in the first state fund measure introduced in the Wisconsin legislature this year.

The fund would be in the custody of the state treasurer subject to supervision of the insurance commissioner. Rates would be fixed by the insurance commissioner. As in the state life insurance fund, liability to persons insuring is limited to the amount of the fund, and the state general fund is not liable, as it is under the depository bond measure.

Disparity in Rates Seen

The question of a disparity in rates designated by the Towner Bureau and those which are limited by state and federal legislation for certain public official, federal receiver and other bonds was discussed at the meeting of the Surety Association of Chicago Tuesday. Committees of the association are at work, investigating this general situation. It is found that some laws, which were enacted perhaps 30 years ago, set a maximum rate which may be paid for public official bonds. As a result of this inquiry, a change in legislation may be suggested.

The association also voted to recommend to the Towner Bureau that the rates for freight and feed charge bonds be increased to 1 percent in Chicago instead of \$2 per thousand, the present rate. These bonds are given to the Union Stock Yards Company by commission houses.

There was discussion of a report that legislation may be sought in Illinois to make the surety partially liable for depository liability where the surety exercises joint control of funds under guardians' bonds, administrator, etc.

Many Union Policies Being Rewritten for Full Year

(CONTINUED FROM PAGE 31)

of Connecticut to determine what recourse is open to policyholders in Connecticut.

Mr. Averill expressed the belief failure of the Union Indemnity will not be followed by other casualty company receiverships. He said the condition of the Union Indemnity had been known to be precarious for some time.

SPECIAL DEPOSIT LAWS

NEW YORK, Jan. 25.—As was feared, the failure of the Union Indemnity has already resulted in the submission of special deposit requirement bills

for casualty companies in several states, and the presumption is that like action will follow in other states as the legislative session progresses. It was a hardship upon the soundly managed institutions when some seven states in retaliation for the demand of the New York department several years ago, insisted from \$25,000 to \$1,000,000 covering a percentage of reserves for outstanding compensation claims.

The measures now making their appearance go much further, in that they call for a deposit of cash or securities from all casualty writing offices. If stipulations of this character are enacted into law to any considerable extent, funds of the carriers will be so scattered as to seriously hamper the conduct of their business.

Plans for H. & A. Conference

Some changes have been made in the plans for the annual meeting of the Health & Accident Underwriters Conference, to be held at the Edgewater Beach hotel in Chicago and originally scheduled for June 7-9. Instead of having a three-day business session, with meetings in the morning and recreation in the afternoon, it has practically been decided to have the conference golf tournament on Monday, June 5, with two business sessions each day June 6

and 7 and a special trip to the Century of Progress exposition in Chicago June 8 for those who desire to take such a trip. It is felt that such a plan would enable those who feel that they cannot get away for more than two days to attend all of the business sessions. It would also give an entire day, uninterrupted by other business, for the world's fair trip, while those who want to spend more time than that at the fair could, of course, do so on the following days.

Report Changing to Stock

SAN FRANCISCO, Jan. 25.—There is a report in San Francisco that the Pacific Automobile Indemnity Exchange, old established automobile reciprocal, will reorganize as a stock company. The Individual Underwriting Corporation is attorney-in-fact. The San Francisco office refers all inquiries to the head office at Los Angeles but the source of information is authentic.

San Francisco Congress Program

W. B. Bunge, Ocean Accident, president San Francisco Accident & Health Club, will give the opening address at its first sales congress Feb. 9. Others on the program are Bert Jones, Maryland Casualty, who will discuss "The Policy Con-

tract and Provisions"; George Johnson, U. S. F. & G., "Selection of Risks"; George Kemper, Great American Indemnity, "The Application and the Indemnity Waiver"; C. H. Linford, Travelers, "The Sale" (commercial); E. W. Amos, Massachusetts Bonding, "The Sale" (industrial), and Stephen Chelbay, Commercial Casualty, "The Future and Opportunities of the Accident and Health Business."

Gives Accident-Health Lectures

NEW YORK, Jan. 25.—Lloyd M. Kuh, disability division manager of the Continental Casualty, will give a series of lectures on accident and health selling each Saturday morning, beginning Feb. 4 at the company's office, 75 Fulton street. There will also be roundtable discussions, answering of objections, and talks by some of the company's leading agents. The course is given as the result of numerous requests since Mr. Kuh delivered a similar series of lectures last June.

The volume of new business through Mr. Kuh's office showed an increase last year over 1931, some of his men selling a policy a day.

The United Insurance Company of Chicago has voted to reduce its capital from \$300,000 to \$200,000, transferring \$100,000 to surplus. The par value is \$25.

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(CONTINUED FROM PAGE 12)

tory under the supervision of a branch office that is responsible for the production of \$300,000 in premiums of all classes, operating at an overhead of \$22,500, exclusive of claim, inspection, bureau and payroll audit expense.

Assume that \$20,000 of the total premium income of \$300,000 is personal accident. By applying the acquisition factor of 35 percent we have \$7,000 to cover delivery to the home office.

Branch Office Overhead

This personal accident volume of \$20,000 must be charged with its proportionate share of the total branch office overhead, and as the personal accident premiums amount to 1/15th of the total branch office premiums, it is only proper to allocate 1/15th of the total expenses to this class, or \$1,500.

The branch office has allowed the producers of these personal accident premiums 30 percent commission, so it becomes necessary to add this \$6,000 to the prorata share of branch office expenses, which produces total acquisition of \$7,500, which is \$500 in excess of permissible acquisition, or 2 1/2 percent.

In a previous statement we have demonstrated that profit hinges on forcing developments within factor limitations, so correction of this overload must be made. But how? Careful study, with complete understanding, clearly offers two applications:

First, branch office expenses will have to be reduced from \$22,500 to \$15,000, or 30 percent, so as to lower the amount chargeable to personal accident coverage share of this cost from \$1,500 to \$1,000; or

Second, commission agreements will have to be reduced to effect a saving of 2 1/2 percent in the amount paid producers.

It goes without saying that the practical adjustment rests in the rate of commission, because reduction in branch office overhead by 30 percent would certainly impair facilities.

This same method of reasoning can

be applied under the direct reporting agency system.

In such territories that are supervised by a special agent, it is proper to add to the commission paid the cost incurred by reason of the employment of a field man, such as salary, travel expense, rent, clerical help and miscellaneous expenses.

Under this arrangement it is plainly evident that total acquisition cost of 35 percent cannot be paid out in commissions, because it leaves no margin to cover field supervision.

Surely these illustrations prove conclusively that no company can afford to authorize commission rates in excess of saturation.

Special Concessions

Excess commission is only one evil, and in addition to this unwarranted practice many companies make special concessions in the nature of claim allowances, rent, advances supposed to cover supervision and development, fees for special services, advances against unearned commissions, advertising, etc., none of which are taken into consideration by the rate-making organizations in building the insurance dollar.

Such burdens are non-meritorious, and companies are only fooling themselves with these fireworks. Acquisition can be regulated, but not by camouflaged side agreements.

Administration Load

Acquisition should include all commissions, every allowance, total remuneration paid to field employees, traveling expenses, cost of writing policies, collection expenses, and all other expenses incident to the maintenance of a field office, except expenditures for taxes, governmental impositions, claim expense, or cost of making inspections and payroll audits.

Reference to factor table allocates 10.7 percent as a full load in connection with administration.

Administration cost includes such home office expenses as can be directly

allocated to a given classification as well as a pro-rata share of all other home office overhead where direct allocation is not practical.

Many companies are over-taxed under this factor because of their failure to adjust employment to present levels of income. The majority are equipped with an organization well qualified to handle effectively a considerably larger volume.

These companies are hopeful of course, that general business conditions will show marked improvement in order to avoid the releasing of efficient employees.

Personally, I fail to see where management can be excused for failure to average this factor out in line with its limitations.

Taxes, Licenses, Fees

This factor of 2.8 percent requires little study, as developments in the past have measured within its limit.

Expenses incurred due to governmental impositions at present do not cause one to be concerned over this cost.

Incurred expenses for inspection and bureau service offers no real complication in successful management, especially under personal accident business.

Some classes, such as workmen's compensation, general liability, fleet automobiles and burglary, invite serious study of inspection cost because of the importance of this information for intelligent underwriting.

Bureau expenses can be extended to the point of becoming a burden. However, I do not consider this item a serious problem.

How Formula Applies

The foregoing formula is applicable to each classification, with variations essential in the various factors as respects each, together with modification of principles to treat properly elements present because of the nature of their exposure.

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